Alberta Human Resources and Employment

Ministry Annual Report

2001 | 2002

Government of Alberta

2001 IPAC
Gold Award
for Innovative
Management

Alberta
HUMAN RESOURCES
AND EMPLOYMENT

This report was prepared by Alberta Human Resources and Employment

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Preface

PUBLIC ACCOUNTS 2001 – 2002

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 24 Ministries.

The annual report of the Government of Alberta released June 25, 2002 contains the Minister of Finance's accountability statement, the consolidated financial statements of the Province and a comparison of the actual performance results to desired results set out in the government's business plan.

This annual report of the Ministry of Alberta Human Resources and Employment contains the Minister's accountability statement, the audited financial statements of the Ministry and a comparison of actual performance results to desired results set out in the Ministry business plan. This Ministry annual report also includes:

- The financial statements of entities making up the Ministry including the department of Alberta Human Resources and Employment.
- Other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as part of financial statements, to the extent that the Ministry has anything to report.
- Additional information relating to Alberta Labour Relations Board, Personnel Administration Office, and Workers' Compensation Board.

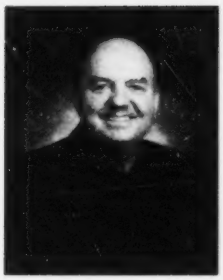
Minister's Accountability Statement

The Ministry's Annual Report for the year ended March 31, 2002, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at September 23, 2002 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

Clint Dunford, MLA
Minister

September 2002

Message from the Minister



Over this past year, Alberta Human Resources and Employment staff continued to serve Albertans with dedication, all the while looking for new and better ways to improve the lives of Albertans. Following are some snapshots of real-life examples of how we have reached out to provide support, listened to what clients needed, and helped make workplaces better.

Even with fiscal restraint across government, our programs support and protect Albertans who need it most. We will always give people a hand up, but we must be prepared to consider whether we can spend our resources better. We asked Albertans whether our social programs are providing the right supports to the people who need it. Five government MLAs, led by Thomas Lukaszuk, MLA for Edmonton-Castle Downs listened to first-hand accounts of what it is like to live on a fixed income. The suggestions and comments were insightful, helpful and very real. Albertans' input has helped our department design low-income programs that will fit the needs of people, rather than trying to fit people into existing programs.

We have also told Albertans about the Alberta Child Health Benefit, a program for low-income working families. ACHB provides free medical benefits for children that includes prescription drugs, glasses, basic dental work, and essential diabetic supplies.

Albertans with disabilities will tell you that their biggest barrier to employment is not their disability, but people's ideas and attitudes about their disability. The Minister's Employability Council presented me with their final report, "*Breaking Barriers: enhancing employment opportunities for persons with disabilities*." Since 1999, these 15 members have dedicated their time and first-hand knowledge to promote persons with disabilities as valuable employees. Their recommendations have provided an action plan for increasing employment supports, improving service delivery and increasing awareness education. All of the goals are attainable, and I remain committed to promoting skill and people initiatives to Alberta employers.

Our programs support people. A college graduate in management studies and rehabilitation practice who happens to be blind received support through the Disability Related Employment Supports program (DRES). We provided her with $7000 worth of computer software that reads aloud and a scanner. That one-time sum, equal to eight months of AISH benefits, made it possible for her to move into the workforce, and become a full time employee with the City of Edmonton.

In a network of offices across the province, we help thousands of people who visit our Labour Market Information Centres, Career Development Centres, and Canada-Alberta Service Centres. These offices help people be successful at work... through seminars on how to find a job, or information why one career path might be better than another. Earlier this year, a woman from Whitecourt came into our office, and was temporarily out of work, and not quite sure what to do. After receiving immediate help and encouragement, she got a referral...which eventually led to a permanent job. Her message to me stated what a fantastic experience the visit and the service which staff provided had been.

Many employers have told me about their efforts to recruit workers to meet their demands. While this gives new and young workers an excellent entry point into the workforce, care and attention must be exercised to properly train these inexperienced workers. I have talked with families who have lost someone because of what people often call an accident. There are no real accidents! All workplace

injuries and fatalities can be prevented. Look at JobSafe, a new partnership between the Red Deer Chamber of Commerce, the Youth Employment Development Centre, and AHRE, which is a great example of prevention at its best. JobSafe provides safety training to central Albertans aged 16 to 24 who are unemployed or already working.

Another important area of the department is Employment Standards, which ensures that employers and employees have balanced rights and responsibilities. I received an email stating a teenager had not been paid wages he was owed. Employment Standards investigated, the employer was warned, and the employee now has the money that he earned. This result proved that people and government CAN work together and solve problems.

Over the past year have I met with employers, their representatives, injured workers, labour unions and the public to address eight main concerns about improving the fairness, consistency, accountability and transparency of the workers' compensation system. As part of this review, I heard from injured workers and employers who are concerned about the review of long standing, contentious WCB claims. My challenge remains to build upon on the WCB system's strengths in a way that protects workers' rights and is still financially feasible for employers.

This past year Albertans witnessed first hand the balancing of workers' rights under the *Labour Relations Code* – as teachers across the province exercised their right to strike. I closely monitored the job action to make sure that the negotiations between the school boards and the teachers were fair and equitable, yet ensured that the well-being of students remained protected.

A component of the ministry is the Alberta Labour Relations Board. Through settlement meetings with the negotiating parties, Board staff have worked diligently to reduce unnecessary work stoppage and litigation, which reduces the costs to the parties and to taxpayers. Their results have been very successful with a settlement rate of 55%, an increase of 5% over last year.

As Minister responsible for the Personnel Administration Office, I am proud that the Alberta public service has earned its reputation as one of the best in Canada. The Alberta government is a key employer in the province. We continue to focus on recruiting and retaining skilled workers, knowledge transfer and leadership development and continuity planning. Once again, we celebrate the continued people and program successes with the eighth annual Premier's Award of Excellence.

The ministry of Alberta Human Resources and Employment has been an active part of thousands of Albertans' lives over the past year, and will continue to be in the years ahead. We invest in Alberta people, skills and workplaces. This investment makes a difference to individual people every day in communities across the province.

Clint Dunford
Minister

Management's Responsibility for Reporting

The executives of the individual entities within the Ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the Ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the financial statements and performance results for the Ministry rests with the Minister of Alberta Human Resources and Employment. Under the Minister's direction, we oversee the preparation of the Ministry's annual report, including financial statements and performance results. The financial statements and the performance results, of necessity, include amounts that are based on estimates and judgements. The financial statements are prepared in accordance with the government's stated accounting policies.

As Deputy Minister and the Acting Public Service Commissioner, in addition to program responsibilities, we establish and maintain the Ministry's financial administration and reporting functions. The Ministry maintains systems of financial management and internal control which give consideration to costs, benefits, and risks that are designed to:

- Provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money
- Provide information to manage and report on performance
- Safeguard the assets and properties of the Province under Ministry administration
- Provide Executive Council, Treasury Board, the Minister of Finance, the Minister of Revenue and the Minister of Alberta Human Resources and Employment any information needed to fulfil their responsibilities
- Facilitate preparation of Ministry business plans and annual reports required under the *Government Accountability Act*

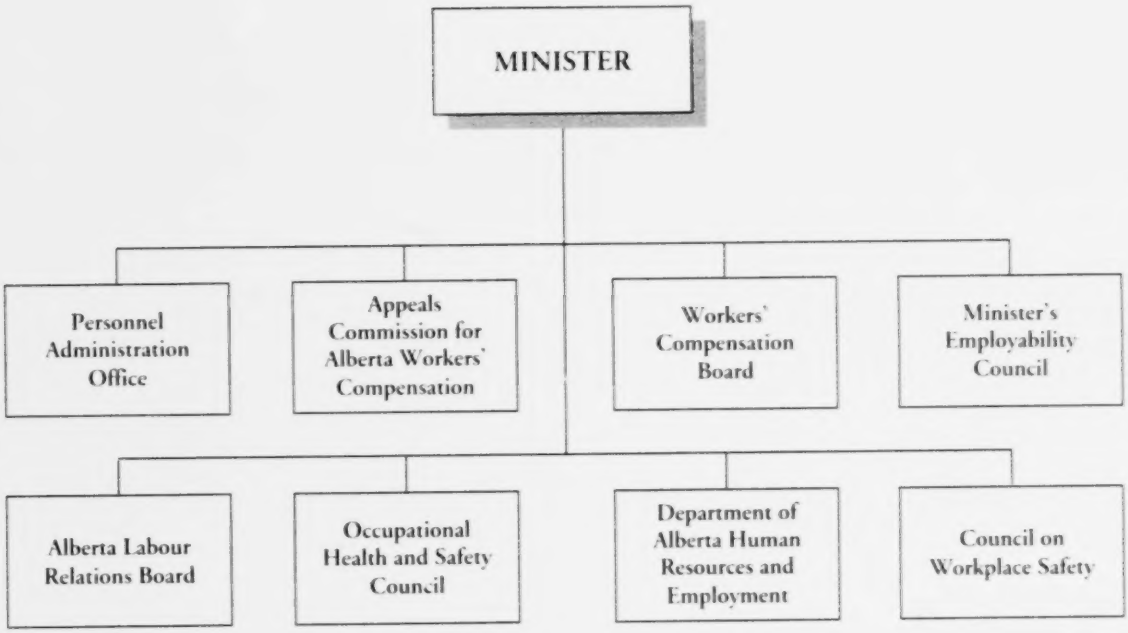
In fulfilling our responsibilities for the Ministry, we have relied, as necessary, on the executives of the individual entities within the Ministry.

Ron Hicks
Deputy Minister
Alberta Human Resources
and Employment

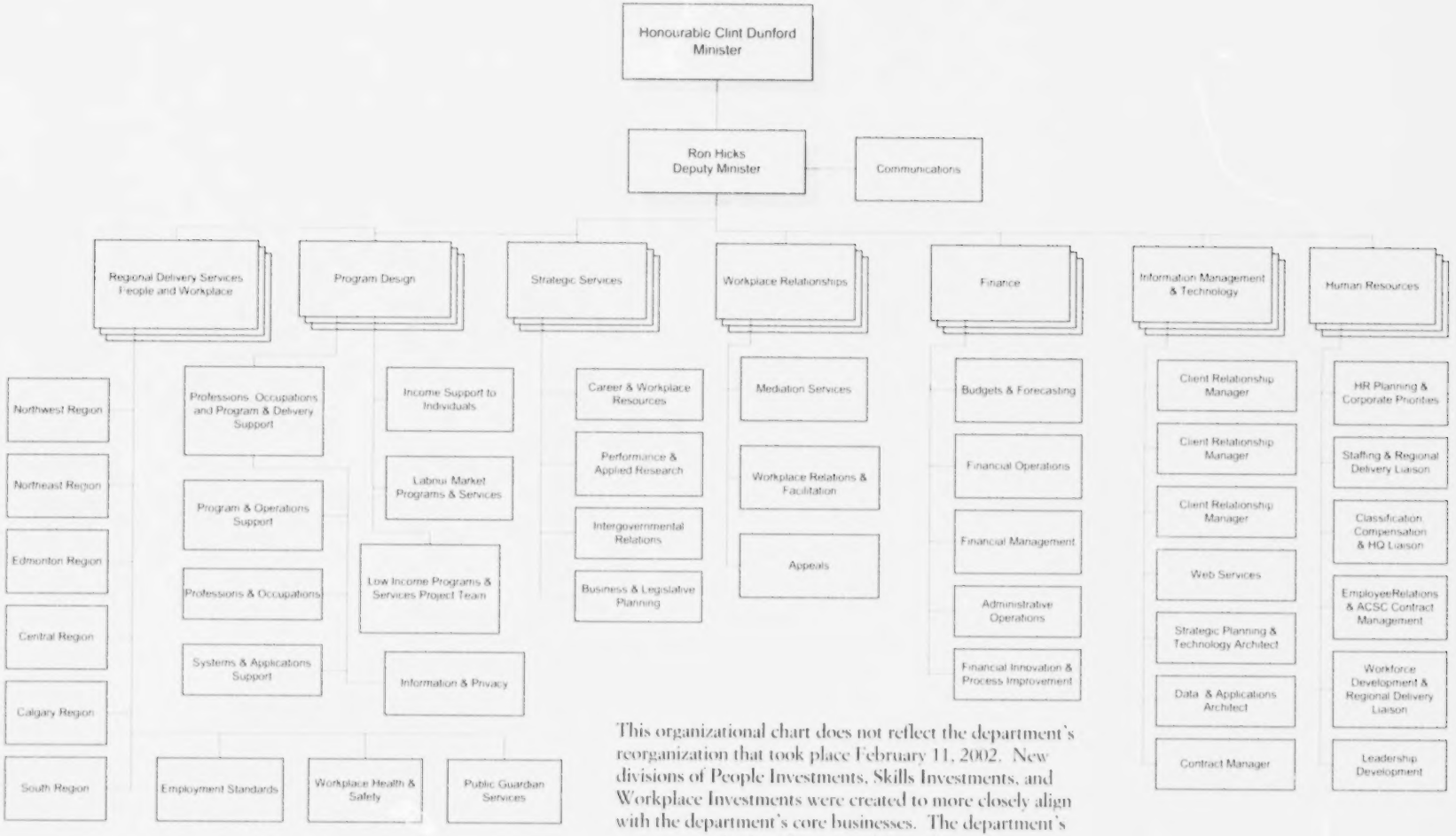
Shirley Howe
Acting Public Service Commissioner
Personnel Administration Office

Ministry of Alberta Human Resources and Employment

March 31, 2002


MINISTER
Personnel Administration Office
Appeals Commission for Alberta Workers' Compensation
Workers' Compensation Board
Minister's Employability Council
Alberta Labour Relations Board
Occupational Health and Safety Council
Department of Alberta Human Resources and Employment
Council on Workplace Safety

Department of Alberta Human Resources and Employment
Functional Chart
March 31, 2002



This organizational chart does not reflect the department's reorganization that took place February 11, 2002. New divisions of People Investments, Skills Investments, and Workplace Investments were created to more closely align with the department's core businesses. The department's current organization chart is available online at: http://www3.gov.ab.ca/hre/orgchart.htm.

Overview

Ministry of Alberta Human Resources and Employment Overview

The Ministry of Alberta Human Resources and Employment delivers programs and services to Albertans through:

- Department of Alberta Human Resources and Employment (AHRE)
- Personnel Administration Office (PAO)
- Alberta Labour Relations Board (ALRB)
- Workers' Compensation Board (WCB)
- Occupational Health and Safety Council
- Council on Workplace Safety
- Minister's Employability Council
- Appeals Commission for Alberta Workers' Compensation (Appeals Commission)

The Personnel Administration Office and the Alberta Labour Relations Board annual reports are in this Ministry's annual report.

Financial information for the Workers' Compensation Board is included but annually reports separately to the Minister.

All other entities produce separate reports to the Minister.

DEPARTMENT OF ALBERTA HUMAN RESOURCES AND EMPLOYMENT (AHRE)

Alberta Human Resources and Employment is composed of eight departmental divisions. The department's programs and services are delivered through a network of offices in six regions. Mobile or itinerant services are available in many communities without service sites.

The department's delivery network includes ties with training providers across the province, including post-secondary institutions, private schools, high schools and contracts with private trainers. The department also works with a variety of stakeholders such as industry, labour groups, professional associations, Indian Bands, Métis Settlements, community groups, federal and municipal governments and other provincial departments.

Alberta Human Resources and Employment's divisions are:

Regional Delivery Services, People and Workplace Division

Through a network of regional and local offices, the Regional Delivery Services, People and Workplace division provides:

- Career counselling and labour market information to assist Albertans in making informed employment and training decisions
- Training and employment programs to eligible Albertans
- Income support to Albertans who do not have sufficient resources to provide for basic necessities
- Benefits to persons who qualify because of a disability that impairs their ability to work
- Short term emergency support to homeless adults
- Family maintenance programs
- Personal directives consultation and assistance
- Guardianship programs for adults incapable of making personal care decisions for themselves
- Worksite health and safety management programs, investigations and inspections
- Employment standards information and education, investigation and resolution of complaints

Program Design Division

The Program Design Division is responsible for:

- Creating discussion papers, policy options, minister's reports, and policy manuals
- Designing programs and services
- Developing standards and guidelines to ensure provincial consistency in programs and services
- Working jointly with other ministries to develop government strategy on issues which cross ministries (e.g. policies on housing, homelessness, children's initiatives, seniors' benefits and labour mobility)
- Administering the Freedom of Information and Protection of Privacy legislation for Alberta Human Resources and Employment, as well as Persons with Developmental Disabilities and Children's Services
- Working in partnerships with professional associations, stakeholders and governments to develop and implement standards to regulate professions in the public interest

- Providing provincial programs – e.g. Skills Development Program (SDP), Summer Temporary Employment Program (STEP), Local Labour Market Partnerships (LLMP), Alberta Child Health Benefit (ACHB), and the Widows' Pension
- Lead or provide input in negotiating agreements and Memoranda of Understanding – e.g. National Child Benefit (NCB), Labour Market Development Agreement (LMDA), Employability Assistance for People with Disabilities (EAPD), medical service agreements, information and data matching
- Developing the Aboriginal Strategy for AHRE
- Leading the Business Transformation Initiative, a major project to integrate business processes and systems and enhance the delivery of AHRE information and services as well as establish and maintain linkages with other relevant initiatives.

Strategic Services Division

The Strategic Services Division provides strategic information tools and processes to help the department achieve its goals and enhance its effectiveness by:

- Promoting the use of process management principles, tools and techniques by coaching, mentoring and facilitating internal workgroups to identify and improve processes and results
- Conducting environmental scanning to identify emerging trends and issues
- Developing legal and legislative options and strategies
- Managing the processes to develop the department's strategic, business and operational plans and the Ministry annual report
- Co-ordinating the department's participation in the Premier's Award of Excellence
- Developing performance measures and reporting on results and effective practices
- Promoting sound use of information for decision making by providing statistical information and reports
- Conducting evaluation research and monitoring departmental programs for quality improvement
- Providing labour market analysis for Alberta
- Developing data and tools for management information
- Developing, publishing, promoting and distributing labour market and workplace information products in print, electronic and audiovisual formats
- Administering Alberta Learning Information Service (ALIS) website

- Providing the Career Information Hotline for consultation and referrals
- Operating the Job Order Bank Service (JOBS) which provides job seekers with access to employers who are looking for workers
- Providing library services to support informational, educational and research activities
- Providing strategic advice, policy development and issues analysis as Alberta interacts and promotes its position with other governments, countries and organizations on income support, disability, labour market, workplace issues, and long term directions – e.g. Ministers Responsible for Social Services (SS), Forum of Labour Market Ministers (FLMM), Canadian Association of Administrators of Labour Legislation (CAALL) Ministers' and Deputy Ministers' Forums, Aboriginal Policy Framework, International Labour Organization (ILO) and North American Agreement on Labour Co-operation (NAALC)
- Negotiating multi-lateral and bilateral agreements with other government jurisdictions

Workplace Relationships Division

The Workplace Relationships Division continues to strive for efficient, effective, professional and innovative services that assist Albertans in resolving workplace and income support issues and disputes by:

- Promoting positive labour relations and workplace innovation by helping Alberta workplaces to solve problems and promote co-operation between management and labour groups
- Providing expert third party neutral facilitation, mediation and arbitration services to resolve disputes in Alberta's unionized workplaces
- Providing Albertans with a fair and effective appeals process
- Training, supporting and advising appeal tribunals on SFI, AISH, dependent adults, child welfare, Widows' Pension, Seniors' Benefits and Aids to Daily Living
- Participating and contributing to cross-government and intergovernmental initiatives
- Conducting internal reviews resulting from investigations by external bodies such as the Office of the Ombudsman
- Providing policy advice to the Minister and the Department
- Designing and delivering customized workshops, courses and seminars

Finance Division

In accordance with Government of Alberta legislation, regulations and policies for finance and administration, the Finance Division provides advice and consolidates the Ministry's financial reporting requirements. The division ensures and embraces the values of quality and timely services in a customer-oriented manner, while working in partnership with the Alberta Corporate Service Centre (ACSC), departmental divisions, the Alberta Labour Relations Board and the Personnel Administration Office by:

- Providing advice about budget allocations and funding pressures
- Maintaining the appropriate financial systems and controls
- Representing AHRE interests on cross-government services – e.g. Senior Financial Officer Council, Administration Services Council, Disaster Services, and central agencies such as the Ministries of Finance, Revenue and Infrastructure, and Office of the Auditor General
- Developing frameworks for various financial and administrative activities
- Providing reconciled financial data for reporting and analysis purposes
- Providing guidance and support to program management and staff regarding financial and administrative issues
- Managing agreements with ACSC for delivery of financial and administrative services

Information Management and Technology Division

The Information Management and Technology Division provides strategic leadership in information and technology management, and ensures the technology investment supports the achievement of the goals in the Ministry Business Plan:

- Ensuring that staff have the information and tools available to them to effectively and efficiently carry out their work
- Continuously improving organizational communications: network, e-mail, intranet, internet, extranet
- Managing the data and technology environment for the Ministry
- Developing strategic, operational and tactical Information Management (IM) and Information Technology (IT) plans and related policies
- Working collaboratively with ACSC, Innovation and Science, Office of the Chief Information Officer (OCIO) and other departments and jurisdictions

Human Resources Division

Human Resources (HR) leads in the use of innovative HR management, policies, strategies and programs by:

- Providing strategic advice and planning to enable the department to make informed HR decisions
- Developing HR policies, programs and strategies for the department (e.g. Leadership Development Program, Recruitment and Retention Strategy, Leadership Continuity Plan, Learning Plans, Learning Accounts)
- Managing the contract for the delivery of human resource management services by the ACSC to the AHRE department
- Representing the department in collective bargaining and providing support in the administration of the employee assistance programs available for public service employees
- Providing interpretation of personnel policies in the area of benefits, salary administration, classification, compensation, labour relations, occupational health and safety, performance management, staffing and workforce adjustment

Communications Division

Communications continues to strive for increased public awareness of AHRE programs and services. Staff in regional offices and a central division provide:

- Strategic issues management and ongoing communications advice and counsel to the Minister, executive and staff of the AHRE department and the PAO
- Strategic communications planning that supports achievement of the goals and strategies of the department
- Media relations services
- Design and implementation of proactive communication programs to profile the Minister and the department
- Support for the department's internal communication programs and activities

Regional Communications staff provide shared services to Alberta Human Resources and Employment, Alberta Children's Services, and Persons with Developmental Disabilities Boards. Headquarters Communications staff includes employees of the Public Affairs Bureau, who have additional responsibilities for supporting Bureau initiatives and goals.

PERSONNEL ADMINISTRATION OFFICE (PAO)

The Personnel Administration Office is the central human resources arm of government operating under the leadership of the Public Service Commissioner. PAO works with departments to develop government wide human resource policy frameworks and strategies in all areas of human resource (HR) management and delivers corporate strategic HR services to support departments in achieving their business plan goals. As part of its role, PAO provides leadership to the Corporate Human Resource Development Strategy, one of the cross-ministry initiatives for 2001/2002. PAO compiles a separate performance report, which is included in this annual report.

ALBERTA LABOUR RELATIONS BOARD (ALRB)

The Alberta Labour Relations Board is a quasi-judicial body responsible for the application and interpretation of the *Labour Relations Code*, the *Public Service Employee Relations Act* and the *Police Officers Collective Bargaining Act*. Both the Minister and Deputy Minister maintain an arm's-length relationship with the Board. The Alberta Labour Relations Board prepares a separate performance reporting, which is included in this annual report.

WORKERS' COMPENSATION BOARD (WCB)

The Workers' Compensation Board is an employer-funded organization providing employers and workers with efficient and affordable disability and liability insurance. The WCB is an independent, board-governed organization operating under the *Workers' Compensation Act*. It reports to the Minister of Alberta Human Resources and Employment and compiles a separate annual report. WCB Financial Statements are included in this annual report.

OCCUPATIONAL HEALTH AND SAFETY COUNCIL

The Council is composed of public, employer, and worker representatives. It hears appeals of orders given by Occupational Health and Safety Officers and advises the Minister on matters pertaining to the health and safety of Alberta workplaces.

COUNCIL ON WORKPLACE SAFETY

The Council on Workplace Safety was established to oversee the current regulatory review processes, examine issues and make recommendations to ensure Alberta's regulatory framework is effective in reducing workplace injuries and illnesses.

MINISTER'S EMPLOYABILITY COUNCIL

For more information on *Breaking Barriers*, visit: http://www3.gov.ab.ca/hre/pdf/mecfinal.pdf

This council provides advice to the Minister of Alberta Human Resources and Employment on enhancing employment opportunities for persons with disabilities. The membership of the council includes persons with disabilities, employers and association representatives. The council term ended March 31, 2002 with a final report entitled *Breaking Barriers: Enhancing employment opportunities for persons with disabilities* being released thereafter.

APPEALS COMMISSION FOR ALBERTA WORKERS' COMPENSATION (APPEALS COMMISSION)

The Commission provides an independent appeals process for workers and employers. The Commission currently operates at arm's-length from the Workers' Compensation Board (WCB), and effective September 1, 2002, will become a direct government reporting agency, fully independent of the WCB.

Alberta Human Resources and Employment

highlights

2001 | 2002

Alberta Human Resources and Employment (AHRE) is the people and workplace department. Over one billion dollars is invested in people, skills, and workplaces to help Albertans meet their basic needs and encourage them to become as self-reliant as possible through safe, fair, and stable employment.

Providing the information Albertans need about careers, workplaces, the labour market and department services.

The ALIS (Alberta Learning Information Service) website www.alis.gov.ab.ca provides information on career choices, post-secondary education and training, educational funding, job search and labour market trends. The ALIS website was redesigned and expanded, and attracted 1.2 million visitors in 2001/2002. New ALIS features include occupational video clips, new and updated occupational profiles and weekly tips on career, learning and employment topics. Job seekers can also access *Alberta Work Search On-Line*.

Alberta employers can now post job vacancies directly on the Internet through the Canada-Alberta Job Order Bank Service (www.jobbank.gc.ca), an initiative made possible by AHRE and Human Resources Development Canada. Alberta employers are the second highest users (after Ontario) of this new system. Job seekers can also call the toll-free 24 hour Employment Telemessage at 1-800-727-2925 (or in Edmonton, call 917-4899) to listen to the most recent job opportunities. Last year, callers listened to the job postings over 3.2 million times.

Closed-captioned television advertisements and newspaper ads across the province identified AHRE as *the* source for career, workplace and labour market information, and let Albertans know they could click, call, or come in for information and advice.

The Workplace Health and Safety website (www.gov.ab.ca/hre/whs) continues to provide timely work safety related information. The number of website hits increased 274% to over 82,000 monthly.

The department entered into a partnership with the Red Deer Chamber of Commerce and the Youth Employment Development Centre (Red Deer Youth Connections site) to provide the Job Safe program to central Albertans aged 16 to 24. This program educates youth about workplace health and safety issues.

promotes the development of positive attitudes towards safety, and provides youth a solid foundation for future workplace training.

Radio advertisements and posters were developed to inform Albertans that half of all workers hurt on the job are in their first year. The "Spot the New Guy" advertisements on radio and on posters stressed the importance of inexperienced workers making safety a personal priority.

Throughout Alberta, there have been enhancements made to many AHRE delivery sites, in order to increase awareness and access to labour market, career, employment, training and workplace health and safety information and services. In the Edmonton Region for example, four new resource centres and one new Labour Market Information Centre (LMIC) were developed and opened. These additional resource locations will help Albertans access a wide array of information and services, right in their own community.

YOU MAKE THE CALL YOUTH CONNECTIONS

Over the last year, seven more Youth Connections sites were opened across Alberta. Youth Connections partners with local businesses to offer mentoring, work experience, job shadowing and other employment opportunities to young people between the ages of 16 and 24. Last year, over 80,000 Albertans visited the 39 Youth Connections sites across Alberta.

Albertans have greater access to Employment Standards information and services. Print materials, website access (www.gov.ab.ca/hre/employmentstandards) and toll-free information (310-0000, then dial (780) 427-3731) is now available at all AHRE Labour Market Information Centres and the 39 Youth Connections offices throughout Alberta.

Assisting Albertans to prepare for, obtain and maintain employment.

For more information on *Prepared for Growth* visit: http://www3.gov.ab.ca/hre/pdf/growth.pdf

The Alberta government has taken a three pronged approach to help meet the increasing demand for skilled workers. Highlighted in "*Prepared for Growth: Building Alberta's Labour Supply*", the province will focus on improving the skill and knowledge levels of Albertans, increase the mobility of labour in Canada and boost the number of qualified immigrants to the province.

Special employment and training responses were designed to assist those who face barriers to employment. For example:

- A resource-training project involving four First Nations (Kehewin, Heart Lake, Frog Lake and Cold Lake), industry, Indian and Northern Affairs Canada and AHRE was completed. This project provided "hands on" rig training delivered by the Petroleum Industry Training Service. Over ninety percent of the participants graduated and became available for competitive employment.
- A partnership is in place with Lakeland College, the trucking industry and AHRE to address a shortage of skilled truck drivers.
- AHRE also has partnerships in place with Carma Developers, Canadian Construction Association, Alliance of Manufacturers, Southern Alberta

Pipe Trades and the Benevolent Society to promote employment in the home building industry and commercial construction industry.

The department's Summer Temporary Employment Program (STEP) worked *with community partners to help approximately 5,000 Albertans gain valuable* work experience within their field of interest over the spring and summer months.

Career Craze was a conference designed to help 'at risk' young Albertans access practical career, employment skills and education information in a fun and innovative way. Funded by AHRE and Alberta Learning, Career Craze attracted 125 youth from across the province. Conference evaluations stated that 97% of attendees would recommend the Career Craze to their friends, and 83% agreed that the conference will help them overcome barriers to their career planning success.

The Disability Related Employment Supports (DRES) program addresses barriers to employment for Albertans with disabilities. Job search, workplace and educational supports are provided. Assistive technology, including talking dictionaries and Braillers, are also available to assist clients at work and school. Funding for DRES was increased by nearly a million dollars this year to $5.9 million.

Promoting positive workplace environments and the establishment of professional and workplace standards.

The *Partnerships in Health and Safety* program provides a framework to promote and certify health and safety programs in Alberta. The Partnerships program experienced considerable growth during the 2001/02 fiscal year, with the number of employers receiving a Certificate of Recognition (COR) increasing by 466 to nearly 4,200. A COR is given to employers who develop health and safety programs that meet established standards.

Partnerships in HEALTH and SAFETY

The department's 64 Workplace Health and Safety Officers continued to target companies with poor health and safety performance. In the past year, AHRE proactively addressed health and safety issues in Alberta:

- Increasing the number of Workplace Health and Safety inspections by 42%.
- Increasing the number of Workplace Health and Safety orders by 66%.
- Hiring three additional temporary inspectors.

Employment Standards staff help ensure that Alberta employers and employees meet their legal workplace responsibilities through education and if necessary, enforcement. Employment Standards Education Program Officers delivered 72 workshops and 147 seminars to over 4,500 employers and employees during the 2001/02 fiscal year.

Employment Standards has explored and formed two new partnership agreements with the Alberta Hotel & Lodging Association and the Retail Merchant's Association of Alberta. As a result, an Employment Standards

Officer will work with their 2,284 combined members to help them learn about workplace responsibilities.

Employment Standards provided information and personal counselling to help resolve disputes between employers and employees. Eighty-two percent of all registered complaints were completed within 120 days; 93% within 180 days; and 99% within 365 days.

Provincially-appointed mediators play a key role in assisting both public and private sector clients reach collective agreements through mediated settlements. In 2001/02, 159 mediation appointments were made. The department responded to 392 requests to assist parties in the resolution of grievances under their collective agreements and made 339 arbitration appointments. Over 98% of the collective agreements in the private and public sectors were settled through negotiated or mediated settlements.

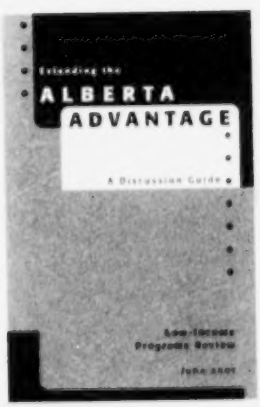
Providing individual and income supports.

Support for low-income families with children in Alberta continues to be enhanced through participation in the National Child Benefit (NCB) strategy. This strategy made reinvestments possible to improve work incentives for parents in the Supports for Independence (SFI) program. As a result, earnings exemptions for single parent families and those with two working parents were increased by $115 per month. In addition, a new work maintenance benefit of $120 per year was introduced and children's earnings were completely exempted as long as the child is attending school.

The Alberta Child Health Benefit

FREE

The Alberta Child Health Benefit (ACHB) provides children in low-income families with basic premium-free prescription drugs, eye glasses, dental work, essential diabetic supplies, and emergency ambulance services. Approximately one third of the eligible families in Alberta are enrolled in this program. In order to increase the number of low-income children receiving this service, benefits were advertised to Albertans through the use of transit and newspaper advertisements and program brochures with applications that were mailed to eligible families. This resulted in a six percent increase in enrollment over last year. Currently 66,293 families are registered in this program.



Extending the

ALBERTA ADVANTAGE

A Discussion Guide

Low-Income Programs Review

June 2001

In April 2001, the Minister of Alberta Human Resources and Employment established an MLA Committee to Review Low-Income Programs provided by the department. The purpose of this review was to ensure that these programs continue to help low-income families meet the challenges they face. The committee solicited public input by releasing a discussion guide and questionnaire entitled *Extending the Alberta Advantage*, which outlined the range of financial, training, and employment programs offered by the department. The committee heard the concerns of over 6,000 people who responded to the review. This was the first comprehensive review of the full range of low-income programs offered by AHRE and it provides an excellent starting point for looking at the future of our social programs.

Personnel Administration Office

highlights

2001 | 2002

PAO continued to provide leadership for the development of the Corporate Human Resource Development Strategy and worked with departments on implementing initiatives. The strategy is part of the overall Corporate Human Resource Plan. The priority areas for human resource management in the 2001/2002 plan were: building leadership capacity, attracting and retaining talent, aligning the management of human resources and classification/ collective bargaining.

Government of Alberta
2001 IPAC
Gold Award
for Innovative Management

The Corporate Executive Development initiative was launched to build leadership capacity within the Alberta public service and ensure that well qualified individuals are ready to assume senior leadership positions including Deputy Minister (DM) and Assistant Deputy Minister (ADM) positions. The program includes DM and ADM profiles with key competencies; an enhanced executive assessment and orientation program; and development planning assistance.

Corporate Executive Development

An enhanced internship website for students and graduates along with an intern handbook and intern supervisor handbook were introduced for interns across the Alberta public service. There were 478 work experience, co-op and internship placements across the public service in 2001/2002.

Results achieved under the Corporate Human Resource Development Strategy continue to be strong:

- 84 percent of employees reported that they were satisfied with their employment in the Alberta public service,
- 90 percent of managers report that their employees have the skills to meet current needs and 80 percent report their employees are prepared for future needs; and
- 81 percent of employees understand how their work contributes to their department's business plan and 77 percent understand how the work of their department contributes to government business plan goals.

Progress was made on the conversion of the non management classification plan to a modified Hay (point-rating) methodology. The new plan was implemented for Subsidiary 6 (Social Services). As of April 2002, work on Subsidiary 2 (Administrative and Program Services) and the opted out/

excluded groups was being finalized in preparation for the implementation phase.

As the certifying partner for government under the Partnerships in Health and Safety Program, PAO continued to work with high and medium risk departments to pursue certification. The number of Certificates of Recognition increased from three to thirteen in 2001/2002.

PAO concluded collective bargaining with the Alberta Union of Provincial Employees on the Master Agreement and nine Subsidiary Agreements. The agreement is for a three-year term, effective September 1, 2001 and expiring August 31, 2004. The general increase was five percent in the first year, four percent in the second year and a wage opener in the third year.

PAO coordinated the development and administration of a six month hiring restraint program for the Alberta public service which ended March 31, 2002. The program was part of the Government of Alberta's immediate response to the economic and fiscal issues that arose in the fall of 2002.

PAO continued to use technology to enhance and transform business processes:

- Introduced a process for accepting employment applications online, increasing the appeal of applying for jobs with the Government of Alberta in an increasingly competitive labour market. Applicants can apply online for all positions posted to *The Bulletin Online* and can view the status of competitions online. About 45 percent of applicants use the online application process. In 2001/2002 Alberta was the only Canadian provincial jurisdiction offering this scope of service.
- PAO participated actively in the further development of the functionality of AGent (the Alberta Government Employee Network) and as a result, management and opted out and excluded employees handled Choice time 2001 electronically. During this process, employees were able to update their benefit plan choices through a secure intranet site.

For more information visit:
http://www.gov.ab.ca/jobs/

The People & Workplace Department

http://www.gov.ab.ca/hre/

Department of Alberta Human Resources and Employment

vision, mission and core businesses

2001 | 2002

VISION

Albertans support themselves and their families.

MISSION STATEMENT

To provide a continuum of services that assists people in need, helps individuals succeed in the workforce and fosters safe and healthy workplaces.

VALUES

We are committed to:

- High standards and ethics
- Quality, client-focused services
- Valuing our staff
- Achieving excellence in everything we do
- Being proactive and accountable for actions and results
- Providing appropriate leadership

Our services are:

- Focused on serving people
- Accessible, responsive, relevant, affordable and effective
- Respectful of all individuals and cultures, communities and partners

CORE BUSINESSES

The department works to achieve its vision and mission through its core businesses and goals:

Providing the information Albertans need about careers, workplaces, the labour market and department services

- Albertans will have quality workplace and labour market information

Assisting Albertans to prepare for, obtain and maintain employment

- Alberta's workforce will be skilled, productive and self-reliant

Promoting positive workplace environments and the establishment of professional and workplace standards

- Alberta will have a fair, safe and healthy work environment

Providing individual and income supports

- Albertans in need of assistance will receive support

Operational Goal

- Albertans will receive effective and efficient programs and services

AUDITOR GENERAL
Alberta

Report of the Auditor General on the Results of Applying Specified Auditing Procedures to Key Performance Measures

To the Members of the Legislative Assembly:

I have performed the following procedures in connection with the Department of Alberta Human Resources and Employment's key measures included in the *2001-2002 Annual Report of the Ministry of Human Resources and Employment* as presented on pages 30 to 61.

1. Information obtained from an independent source, such as Statistics Canada, was agreed with the information supplied by the stated source. Information provided internally was agreed to the reports from the systems used to develop the information.

2. The calculations which converted source information into reported measures were tested.

3. The appropriateness of the description of each measure's methodology was assessed.

As a result of applying the above procedures, I found no exceptions. However, these procedures do not constitute an audit, and therefore I express no opinion on the key measures included in the *2001-2002 Annual Report of the Ministry of Human Resources and Employment*.

Fred J. Dunn, CA
Auditor General

Edmonton, Alberta
July 15, 2002

results analysis

core business

Providing the information Albertans need about careers, workplaces, the labour market and department services

Supports the People and Prosperity Core Businesses of the Government of Alberta, and cross ministry initiatives on Economic Development Strategy and Alberta Children and Youth Initiative.

Goal 1: **Albertans will have quality workplace and labour market information**

INTENDED RESULT 1.1

Albertans have access to and are satisfied with the quality of information on workplace and labour market needs and opportunities.

STRATEGIES

Take a leadership role in the collection, analysis, development and distribution of labour market trends, forecasting and information by:

- Partnering with business, industry, communities and other jurisdictions to share information about the knowledge and skills that will be required in the workplace.
- In partnership with Alberta Learning, expand the Alberta Learning Information Service (ALIS), a website providing information and services for all Albertans seeking learning, career or employment opportunities.

INTENDED RESULT 1.2

Workers and employers have access to, and are satisfied with, information concerning workplace rights and responsibilities.

STRATEGIES

Develop additional ways of getting information on workplace rights and responsibilities to workers and employers by:

- Integrating workplace health and safety and employment standards related items into career development workplace and labour market information and services.
- Including information on workplace rights, responsibilities and safe work practices in presentations to youth in schools or other settings.
- Enhancing the scope and methods of communicating the importance of workplace safety, especially for inexperienced workers.
- Addressing English as a Second Language issues with workplace publications, wherever feasible.

RESULTS

1.1 Albertans have access to and are satisfied with the quality of information on workplace and labour market needs and opportunities.

Alberta Human Resources and Employment (AHRE) provides a large variety of workplace and labour market information to Albertans.

As Albertans access labour market information, they become more knowledgeable about career and labour market opportunities, they are better able to assess their skills and interests, build a career plan, and connect to further learning and employment. Information is primarily provided through Labour Market Information Centres, the Career Information Hotline, the Alberta Learning Information Service (ALIS), individual career and employment counselling, workshops, and community presentations and displays.

Canada Career Week is a national event occurring annually in the first full week of November. The purpose is to promote awareness of: career opportunities; career development concepts and materials; and community agencies available to assist individuals in making career decisions. Across the province, AHRE took a lead role in promoting the theme "Stay Learning" in community and internal activities including: career fairs; community presentations and displays; AHRE Open Houses; distribution of *Canada Prospects* and other publications; internal Labour Market Information awareness sessions for staff; and providing worksite experiences for the "Take Your Kid To Work Day", aimed at Grade 9 students as an opportunity for them to job shadow their parent or mentor in an average work day.

The ALIS website, a partnership with Alberta Learning, provides information on career choices, post-secondary education and training, educational funding, job search, and labour market trends. The ALIS website was redesigned to include a new layout and navigation system, improving accessibility of the site. To increase Albertans' access to labour market information, various career and labour market information print publications were placed on the web.

ALIS
Alberta Learning Information Service

http://www.alis.gov.ab.ca/

The department also engaged in a marketing campaign that identified AHRE as the source for career, workplace and labour market information. Information was advertised through closed-captioned television advertisements and print ads in newspapers across the province.

In June 2001, youth from across Alberta converged in Edmonton to take part in *Career Craze 2001*. This career and employment conference with a trades and technology twist provided delegates with the opportunity to participate in career-related activities and to formulate individual career plans. Approximately 30% of delegates represented Aboriginal serving organizations.

1.2 Workers and employers have access to, and are satisfied with, information concerning workplace rights and responsibilities.

Alberta Human Resources and Employment continues to provide call centres and websites for Workplace Health and Safety (WHS) as well as Employment Standards. There has also been an increase in the amount and variety of materials available on these sites. A website is also maintained for Professions and Occupations, which includes information on Labour Mobility as well as Land Agent Licensing.

Comprehensive information on WHS and Employment Standards was distributed to Labour Market Information Centres (LMICs) and 39 contracted Youth Connections sites. Additionally, staff from AHRE designed, developed and distributed copies of the *X-Treme Safety* booklet and poster to Career Centres and Youth Connections contracted sites.

The department entered into a partnership with the Red Deer Chamber of Commerce and the Youth Employment Development Centre (Red Deer Youth Connections site) to provide the Job Safe program to central Albertans aged 16 to 24. This program educates youth about workplace health and safety issues, promotes the development of positive attitudes towards safety, and provides youth a solid foundation for future workplace training.

The department also partnered with the Alberta Construction Safety Association, the Manufacturer's Health and Safety Association, and the Workers' Compensation Board to offer a safety awareness campaign directed at inexperienced workers and their employers. The "Spot the New Guy" campaign used radio advertisements and posters to make Albertans aware that more than half of Alberta's workplace injuries occur during a worker's first year on the job.

For more information on the Spot the New Guy campaign visit: http://www3.gov.ab.ca/hre/whs/workers/headsup_2002.htm

In addition, staff from the department worked with staff from Alberta Learning and other ministries to ensure school age Albertans receive information on workplace rights and responsibilities. This information will be included in K-9 Health and Life Skills and Senior High Career and Life Management curriculum.

The department recognizes that workers and employers are better able to manage their affairs when statutory rights and responsibilities are clearly understood. An Employment Standards guide was translated into French as a new resource for French speaking clients.

In addition, strategic labour relations advice and information on collective bargaining and mediation activities are provided to stakeholders and clients through weekly and bi-weekly reports.

PERFORMANCE MEASURES

The department is working to ensure that Albertans have information to help them make career, learning, and work decisions.

KEY PERFORMANCE MEASURE

Percentage of clients satisfied with workplace and labour market information*

	1998/99	1999/00	2000/01	2001/02	Target
Labour Market Information Centres	n/a	99%	97%	95%	85% or higher
Customer Satisfaction with information materials and tools**	n/a	96%	n/a	96%	85% or higher
Career Information Hotline**	n/a	95%	n/a	96%	85% or higher
Career Development Workshops	90%***	88%	88%	89%	85% or higher

Notes[1]:

* Client satisfaction with workplace information currently unavailable.

** Satisfaction surveys for career information hotline and customer satisfaction with information materials and tools are conducted biennially.

*** Because of methodological changes, this measure of client satisfaction with career development workshops is not fully comparable to subsequent years.

Source: Alberta Human Resources and Employment.

Further Notes: Alberta Human Resources and Employment – Career, Workplace and Labour Market Information Products Customer Satisfaction Survey. A total of 260 career practitioners completed this survey either through self-completed questionnaires or telephone interviews. An independent contractor contacted these respondents about their satisfaction with information and services received during the past year.

Alberta Human Resources and Employment – Work Outcome Reporting Project (WORP). This is a sample survey of Career and Employment Assistance Services (CEAS) workshop participants who are followed up by an independent contractor six months after leaving the program. This is an ongoing project. Data presented include follow-up data on the question regarding overall satisfaction with the workshop. Under WORP, 1,417 individuals who had participated in CEAS during 2001/02 were contacted. 449 of these individuals participated in workshops. The estimated response rate for the WORP CEAS survey is 60%.

Alberta Human Resources and Employment – Career Information Hotline: 2001/2002 Customer Service and Satisfaction Survey. Clients who had accessed the service between October 2001 and February 2002. During November 2001 to February 2002, 341 of these Hotline users were contacted by an independent contractor one month after they had accessed the service to participate in this biennial telephone survey. The accuracy of the data is estimated to be ±5.28% within a 95% confidence interval.

Alberta Human Resources and Employment – Labour Market Information Centre Client Satisfaction Survey 2001/2002. An independent contractor contacted these respondents about their satisfaction with information and services received during the past year. A total of 2,081 clients participated in the survey between November 2001 and February 2002.

ANALYSIS

Client satisfaction with workplace and labour market information is a measure of the quality of services provided. Client satisfaction with workplace and labour market information continues to be high and the target of 85% was exceeded in each area.

Improvements in the method(s) used to assess satisfaction yielded results that are not fully comparable to previous years.

SUPPLEMENTAL INFORMATION

Use of Career and Labour Market Information Services

	1999/2000	2000/2001	2001/2002
Career Counselling Sessions	40,720	36,035	36,275
Group Workshop Participants	37,561	37,932	39,018
Labour Market Information Centre (LMIC) Visits	735,096	830,003	1,005,246
Career Information Hotline Requests	37,056	30,063	30,374
ALIS Website User Sessions	594,348	944,519	1,238,963
Number of Career-Related Products Distributed	677,000	665,441	638,347
Canada-Alberta Job Order Bank (Job Orders)	43,032	54,864	52,392
Employment Standards Hotline Calls Received	180,000	184,097	178,284

Source: Alberta Human Resources and Employment.

ANALYSIS

The volume of usage of career and labour market information services is an indication of the demand for access to this type of information. During the 2001/02 fiscal year, there was a greater demand for career counselling sessions and group workshops. Usage of Labour Market Information Centres, requests made on the Career Information Hotline, and the number of ALIS website user sessions also increased. 80,160 Albertans visited contracted Youth Connections contracted sites.

For more information on Workplace Health and Safety, visit: http://www3.gov.ab.ca/hre/whs/index.html

The Workplace Health and Safety Call Centre responded to 27,663 calls and the website received a total of 577,759 hits. The number of website hits increased from 22,006 in April 2001 to 82,333 in March 2002.

core business

Assisting Albertans to prepare for, obtain and maintain employment

Supports the People, Prosperity and Preservation Core Businesses of the Government of Alberta, and the cross ministry initiatives on Economic Development Strategy, Alberta Children and Youth Initiative and the Aboriginal Policy Initiative.

Goal 2: Alberta's workforce will be skilled, productive and self-reliant

INTENDED RESULT 2.1

Albertans have the skills to obtain and maintain employment.

STRATEGIES

Expand opportunities for career planning, skills upgrading and employability skills acquisition by:

- Leading changes to remove inter-provincial barriers to enhance mobility of workers as committed to in the Labour Mobility Chapter of the *Agreement on Internal Trade*.
- Improving the effectiveness of the Skills Development Program (SDP) and continuing with the implementation of the Skills Development Program-Memorandum of Understanding (SDP-MOU).
- Continuing to support efforts to expand opportunities for Albertans to ensure or re-enter the workplace and support continuous learning through the Economic Development Strategy.

INTENDED RESULT 2.2

Alberta has a human resource development strategy that contributes to labour force development and the economic goals of the province.

STRATEGIES

Lead labour force development on behalf of the Alberta Government by working with other departments to:

- Achieve the goal set out in the People and Prosperity Initiative.
- Identify labour force demand, skill shortages and economic development initiatives.
- Develop a multi-year plan to address the demand for scarce skills.
- Develop alliances at the local, provincial, national, and international level that will contribute to human resource development.

For more information on the People and Prosperity Initiative, visit: http://www.learning.gov.ab.ca/peopleprosperity/

- Support workforce effectiveness (work-life balance, continuous learning, workplace values).

INTENDED RESULT 2.3

All Albertans have the opportunity to participate in the workforce.

STRATEGIES

Reduce or remove barriers to employment and skills upgrading by:

- Continuing to work under the Interdepartmental Policy Framework for Employment Supports for Persons with Disabilities (ESPD) in conjunction with Alberta Health and Wellness, the Alberta Alcohol and Drug Abuse Commission, Alberta Learning, and the Premier's Council on the Status of Persons with Disabilities on providing employment supports for Albertans with disabilities, incorporating the requirements outlined in the *Canada Alberta Employability Assistance for People with Disabilities* (EAPD) *Cost Sharing Agreement*.
- Developing a plan to address the Minister's Employability Council recommendations to enhance employment opportunities for persons with disabilities.
- Increasing funding for Disability Related Employment Supports.
- Continuing the implementation of the Alberta Youth Employment Strategy to assist young people to make a successful transition to employment.
- Supporting the ongoing implementation of the National Child Benefit by creating or enhancing supports for low-income families.
- Developing departmental strategies, consistent with the cross ministry Aboriginal Policy Initiative (API), to achieve coordinated services to First Nations, Métis, and other Aboriginal people.
- Rationalizing and adjusting existing federal transfer arrangements and program parameters under the Labour Market Development Agreement (LMDA) and the EAPD to meet Alberta's priorities.

RESULTS

2.1 Albertans have the skills to obtain and maintain employment.

Career and employment assistance services help people prepare for, find, and maintain work. Services include the provision of labour market information, career assistance (e.g., career advice, group workshops), career consulting, assessment of work readiness and training needs, referral services, and case management (i.e., assisting clients to move through the transitions to employment).

The department also provides learners with financial assistance to pursue training. Individuals who are enrolled in an approved program, and have financial need, may be eligible for financial assistance. Employment Insurance

(EI) eligible clients may receive Alberta Student Loans and/or grants for skills training or upgrading programs, while non-EI clients receive grant funding for short term skills and upgrading programs. The province's efforts to return EI clients to work resulted in savings of about $120 million to the Employment Insurance account.

The Skills Development Program-Memorandum of Understanding (SDP-MOU) defines the respective roles and responsibilities of Alberta Human Resources and Employment and service providers in the delivery of basic education and training for adult learners receiving SDP grants. It constitutes an agreement between the department and providers whereby providers are responsible for selection and case management of students in grant-funded programs for adult learners. As of March 31, 2002, approximately 85% of training providers signed MOUs representing 17,071 students/year.

2.2 *Alberta has a human resource development strategy that contributes to labour force development and the economic goals of the province.*

Labour market employment and training programs and services help unemployed Albertans as well as other eligible Albertans acquire the skills they need to prepare for and obtain employment. Over 41,000 learners participated in Job Placement, Self Employment, Skills for Work, Training on the Job, Skills Training, Basic Foundation Skill Training interventions, and Temporary Employment Programs in 2001/02.

Minister Dunford also released a provincial labour market strategy paper titled *Prepared for Growth: Building Alberta's Labour Supply*. This strategy analysed labour market perspectives from across economic sectors and provincial departments to provide an integrated, broad perspective of economic growth and the implications for labour market supply. This cross-government strategy also recommended ways that Alberta could address existing and emerging issues in the labour force.

For more information on *Prepared for Growth* visit: http://www3.gov.ab.ca/hre/pdf/growth.pdf

The department was an active participant in the Employability Skills Forum which is a standing committee sponsored by the Conference Board of Canada. Three meetings a year are held to explore ways to enhance the employability skills of Canadians. During the past year, a new Employability Skills Profile was developed and released for national use.

Labour Market Partnerships (LMP) provide support to community partners to identify, develop and implement labour force adjustment and human resources strategies. Examples of LMPs include those established with the Alberta Food Processors Association and the Cultural Industry. The Cultural Industry includes a wide array of organizations, businesses, self-employed Albertans, and individuals who work in art, music and sound recording, libraries, museums, craft councils, dance alliances, films, acting, art galleries, writing, publishing, etc. It is estimated that approximately 33,000 Albertans work in the culture sector. AHRE committed itself to provide continued support to the Alberta Cultural Human Resources Steering Committee, which was charged

For more information on the Alberta Food Processors Association partnership visit: http://www3.gov.ab.ca/hre/pdf/strongerpartners.pdf

with implementing strategies addressing the employment issues in the culture sector.

Alberta is the lead province of the Forum of Labour Market Ministers–Labour Market Information (FLMM–LMI) federal/provincial/territorial work to promote the sharing of information and the development of joint labour market information products, services or initiatives and plays an important role in reducing duplication among governments. Alberta co-chairs with HRDC on the FLMM–LMI Working Group and houses the FLMM–LMI Secretariat while AHRE co-chairs the Action Plan on the Data Sub Group, which is determining LMI data gaps and seeking ways to strengthen Canada's information infrastructure.

In February 2002, the department sponsored a conference that brought together industry and government staff from across the country to discuss active labour market policy in Canada. Since 1996, Alberta has had a federal-provincial agreement that provides retraining support to EI clients and supports the delivery of career-related information and services. The conference provided participants an opportunity to discuss lessons learned from these Labour Market Development Agreements. The department also contracted to have the conference summarized in the paper entitled, *Shifting Roles: Active Labour Market Policy in Canada under the Labour Market Development Agreement*.

2.3 All Albertans have the opportunity to participate in the workforce.

Special employment and training responses were designed to assist those who face barriers to employment. For example:

- A resource-training project involving four First Nations (Kehewin, Heart Lake, Frog Lake and Cold Lake), industry, Indian and Northern Affairs and AHRE was completed. This project provided hands on rig training delivered by the Petroleum Industry Training Service.
- A partnership is in place with Lakeland College, the trucking industry and AHRE to address a shortage of skilled truck drivers.
- AHRE also has partnerships in place with Carma Developers, Canadian Construction Association, Alliance of Manufacturers, Southern Alberta Pipe Trades and the Benevolent Society to promote employment in the home building industry and commercial construction industry.

The department supported a consultation regarding best practices in employment and training for persons with disabilities. The consultation brought together employers, people with disabilities, Aboriginal people with disabilities, service providers, and both federal and provincial governments for an extensive discussion on hiring persons with disabilities. The department also partnered with HRDC to offer a pilot project to meet the training needs of persons who have a diagnosed mental illness and who are currently receiving combined Canada Pension Plan Disability and Assured Income for the Severely Handicapped (AISH).

AHRE also developed a response to the recommendations issued in the first Minister's Employability Council report, issued January 2001. The final report entitled *Breaking Barriers: Enhancing employment opportunities for persons with disabilities* was released in April 2002. In addition, the Employment Supports for Persons with Disabilities (ESPD), an interdepartmental coordinating committee, set new objectives for its work across government to improve work and training outcomes for persons with disabilities.

For more information on the Minister's Employability report visit: http://www3.gov.ab.ca/hre/pdf/Employability.pdf

The Disability Related Employment Supports (DRES) program addresses barriers to employment for Albertans with disabilities. Job search, workplace and educational supports are provided. Assistive technology, including talking dictionaries and Braillers, is also available to assist clients at work and school. Funding for DRES was increased by approximately $1 million to a total of $5.93 million for the past year and new brochures and web content were developed to help inform Albertans about the program.

For more information on DRES visit: http://www3.gov.ab.ca/hre/dres/

Seven new Youth Connections sites opened throughout the province, bringing the total to 39 sites. Existing sites also reported an increased use of their services. An Alberta Youth Employment Strategy (AYES) Progress Report for 2001/02 was approved for release by the Ministers of Alberta Learning and AHRE and is now posted on the web.

For more information on the AYES Progress Report visit: http://www3.gov.ab.ca/hre/yes/pdf/ayes_progress.pdf

The Employer of Youth Awards Program, in partnership with the Conference Board of Canada and the Alberta Chambers of Commerce, gives national and provincial recognition to employers who do an exemplary job of hiring and training youth in Alberta. In 2001, the recipient of the Employer of Youth Award of Distinction was game developer BioWare Corp. of Edmonton.

Staff from AHRE worked with the federal government and with Aboriginal Human Resources Development Agreement holders in Aboriginal organizations across Alberta. Building partnerships with these organizations is intended to lay the foundation for a more coherent, sustained and effective approach to Aboriginal participation and success in Alberta's workforce.

PERFORMANCE MEASURES

Employment and training programs and Job Placement services provide clients with supports necessary to quickly re-enter the workforce. These programs are usually one year or less in duration.

Fewer individuals participated in employment and training programs and Job Placement in 2001/02 (41,112 compared to 41,768 in 2000/01). The decline in individuals requiring assistance to re-enter the workforce is due in part to Alberta's favourable economy and low unemployment rate. Decreased enrolment in programs for the most job-ready clients, e.g., Job Placement and Short-Term Skills Training (non-apprentices), is consistent with the premise that clients with current work experience can successfully maintain or quickly regain employment in good economic conditions without further intervention.

Description of Programs:

Job Placement (JP) services are designed to match unemployed, job-ready Albertans with employers needing to fill jobs.

Self Employment (SE) provides formal instruction in business plan development, one-to-one business counselling, coaching, and guidance during business plan implementation.

Skills for Work (SW) provides clients with a combination of life management skills, occupational training, academic upgrading and work experience needed for jobs in demand.

Training on the Job (TOJ) helps Albertans gain on-the-job experience and training in jobs that are in demand.

Skills Development Program (SDP) provides clients with access to basic foundation skills programs, apprenticeship program, skills training or integrated training from approved public or private training providers.

Temporary Employment Programs (TEP) provide programs for Supports for Independence (SFI) clients expected to work. These include:

- **Alberta Community Employment (ACE):** A 6 month paid work experience program for SFI clients.
- **Employment Skills Program (ESP):** A 6 month paid work experience within provincial government departments.
- **Alberta Job Corps (AJC):** Skills training and work experience through community work projects under the supervision of AJC staff.

KEY PERFORMANCE MEASURE

Percentage of participants employed post-intervention

Programs*	1998/99 Percent Employed	1999/00 Percent Employed	2000/01 Percent Employed	2001/02[2] Percent Employed
Job Placement	69%	71%	76%	72%
Self Employment	62%	87%	84%	85%
Skills for Work	66%	61%	60%	54%
Training on the Job	n/a**	65%	62%	67%
Skills Development				
– Short Term Skills (non-apprentices)	80%	75%	85%	84%
– Apprentices***	94%	n/a	94%	n/a
– Basic Foundation Skills Training	61%	62%	64%	66%
Temporary Employment Programs	n/a	n/a****	77%	83%
All Programs (weighted average)	71%	72%	75%	74%
Overall Employment Target	70%	70%	70%	70%

Notes[1]:

* With the exception of Apprentices, participants are followed up 3 or 6 months post-intervention.

** The employment results for the Training on the Job program were not available for 1998/99, as this was a transitional year for the program.

*** The results are based on a survey conducted every two years. The survey was conducted in 1998/99 and 2000/01.

**** Temporary Employment program results not available in 1998/99 and there were not enough data in 1999/00 to derive a reliable conclusion.

Sources: Alberta Human Resources and Employment, Alberta Learning, and Human Resources Development Canada.

ANALYSIS

The overall employment result of participants who left employment and training programs and job placement decreased by one percentage point over last year's results. The economy continues to be strong with the unemployment rate at 5.0% in March 2002 compared to 4.8% in the previous year. The 2001 Annual Alberta Labour Market Review also confirmed that the province's participation rate of 69% hit a 20-year high. A strong economy is a key

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[1] With the exception of Apprentices, percentages calculated on data from those leaving programs between April 2001 and October 2001.

Further Notes: Alberta Learning – Student Finance System Reports.

Alberta Learning, Graduates of Apprenticeship Satisfaction Survey, 2001. Results are based on 2,947 telephone interviews with graduates.

Alberta Human Resources and Employment – Work Outcome Reporting Project (WORP). This is a census survey of all Short Term Skill (non-Apprentices) and Basic Foundation Skills Training program leavers who are followed up by an independent contractor at either three months (LMDA clients) or six months after leaving the program. This is an ongoing project. Data presented include follow-up data as of March 31, 2002 (total of 3,049 respondents).

Alberta Human Resources and Employment – Career Assistance Information System (CAIS). Training Program and Employment Service Results. Clients in Job Placement, Self-Employment, Skills for Work, and Training on the Job programs. Employment results for these programs are reported by contracted agencies.

Human Resources Development Canada – HRDC AECD April 2002 Results Dataset Analysis.

determinant of whether individuals obtain work once they are trained. Results may also vary between years and programs, depending on the types of clients entering the programs. For example, Employment Insurance (EI) clients have more recent work histories that help their return to the labour market. Individuals unable to find work in today's favourable economic conditions often face multiple barriers which require intensive investments.

SUPPLEMENTAL INFORMATION

Number of learners participating in employment/training programs and job placements

	1999/00	2000/01	2001/02
Total number of learners*	42,166	41,768	41,112

Note:

* Includes funded and self-sponsored learners

Source: Alberta Human Resources and Employment.

Number of learners by group type*

	1999/00		2000/01		2001/02	
	# of learners	% employed	# of learners	% employed	# of learners	% employed
Youth (ages 16-24)	20,780	82%	22,045	81%	16,961	80%
Aboriginal**	5,419	n/a	6,321***	58%	5,373***	47%
Persons with Disabilities**	1,717	69%	2,259***	68%	1,933***	59%

Notes:

* Individuals may be counted in more than one group.

** All numbers for Aboriginal learners and learners with disabilities are preliminary and subject to refinement, and refer to only those clients in employment/training programs and job placement and those who have identified themselves as a member of a special group.

*** Does not include Temporary Employment Programs (TEP) participants.

Source: Alberta Human Resources and Employment.

ANALYSIS

The volume of usage of these services is an indication of the demand for access to this type of information.

The number of learners for the above special group types decreased from the previous fiscal year.

core business

Promoting positive workplace environments and the establishment of professional and workplace standards

Supports the People and Prosperity Core Businesses of the Government of Alberta, and the cross ministry initiative on Economic Development Strategy.

Goal 3: Alberta will have a fair, safe and healthy work environment

INTENDED RESULT 3.1

The health and safety of Alberta workers is protected.

STRATEGIES

Continue to take appropriate actions to reduce work-related illnesses and injuries by:

- Promoting the development of effective worksite health and safety systems through the "Partnership in Health and Safety" program.
- Completing the comprehensive review of regulations under the *Occupational Health and Safety Act*.
- Targeting inspections for poor health and safety performers and uncontrolled hazards.
- Continuing development and implementation of a provincial call centre for workplace health and safety incident and complaint reporting, and an interactive web site dedicated to workplace health and safety information.
- Working with Alberta Justice to ensure specialized Crown prosecutors are available for prosecutions under the *Occupational Health and Safety Act*.
- Ensuring the number of Workplace Health and Safety officers keeps pace with the growth of the Alberta economy.
- Coordinating interdepartmental responses to the recommendations arising from the two reviews of the Workers' Compensation Board.

INTENDED RESULT 3.2

Alberta has effective labour relations policies and legislation that contribute to successful resolution of workplace issues.

STRATEGIES

Continue to promote alternative dispute resolution approaches for workplace issues by:

- Enhancing the productivity and competitiveness of Alberta workplaces by helping organizations achieve better communications, problem solving and labour-management cooperation.
- Providing strategic labour relations policy advice and issues management to help the Department and its clients respond effectively to emerging workplace issues.
- Promoting positive labour-management relations by providing mediation services, including appointment of mediators and arbitration boards, and recommending to the Minister as to appointments to dispute resolution boards and tribunals under the *Labour Relations Code* and *Police Officers Collective Bargaining Act*.

INTENDED RESULT 3.3

Alberta's employees and employers benefit from fair and balanced employment standards and practices.

STRATEGIES

Promote a level playing field for employers and employees by:

- Targeting industries with poor compliance histories and implementing strategies to improve compliance.
- Developing and implementing strategies to increase awareness of employment standards legislation.
- Exploring partnership opportunities with industry associations.

INTENDED RESULT 3.4

Alberta has effective professional standards and practices.

STRATEGIES

Protect the public interest by:

- Consulting with professional and occupational associations to ensure that new governing legislation provides for effective professional standards and practices.
- Ensuring the free movement and equitable access of individuals to employment opportunities.

RESULTS

3.1 The health and safety of Alberta workers is protected.

The department continues to promote a workplace climate that promotes fairness in the workplace, protects the health and safety of workers, and fosters stable labour relations.

The "*Partnerships in Health and Safety*" program provides a framework to promote and certify health and safety programs in Alberta. The Partnerships program experienced considerable growth during the 2001/02 fiscal year, with the number of employers receiving a Certificate of Recognition (COR) increasing by 466. A COR is given to employers who develop health and safety programs that meet established standards..

This regulation is a new worker safety measure following the murder of Tara Ann MacDonald, a young woman working alone at a fast food outlet in Calgary.

The department also required that employers comply with the new Working Alone regulation by April 30th, 2001. This regulation makes Alberta workplaces safer and applies to anyone employing staff who work alone during hours identified in the regulation.

The department continued to target companies with poor health and safety performance. In the past year, Alberta Human Resources and Employment (AHRE) proactively addressed health and safety issues in Alberta:

- The number of Workplace Health and Safety inspections increased 42%.
- The number of Workplace Health and Safety orders increased 66%.
- Three additional temporary inspectors were hired.

During the 2001/02 fiscal year, the department engaged in extensive consultations with stakeholders further to the recommendations from the MLA Workers' Compensation Board (WCB) Service Review Committee and the Review Committee of the WCB Appeals System. These contributed to development of Bill 26, *Workers' Compensation Amendment Act* which will increase the openness and accountability of the WCB and the Appeals Commission. It will improve accountability by having the Auditor General perform an audit of each organization that includes performance measures; ensure the independence of the Appeals Commission by separating it from the WCB and having it report directly, as a government agency, to the Minister of Alberta Human Resources and Employment; impose stricter time limits for the WCB to follow when implementing Appeals Commission decisions; improve and streamline WCB decision-making by allowing the WCB to use a quality review process in place of the Claims Services Review Committee and Assessment Review Committee; and create a medical panel process to resolve differences in medical opinion that affect a worker's claim.

In order to reduce work-related illnesses and injuries, the department reviewed regulatory proposals for all Occupational Health and Safety (OHS) regulations and consolidated them into one proposed regulation. Regulations under the *Occupational Health and Safety Act* define minimum workplace standards established to protect workers from injuries and illnesses.

3.2 *Alberta has effective labour relations policies and legislation that contribute to successful resolution of workplace issues.*

Employment Standards staff administer and enforce the *Employment Standards Code* and Regulation, which establish minimum standards of employment for employers and employees in the workplace. Employment Standards Education Program Officers delivered 72 workshops and 147 seminars to over 4,500 employers and employees during the 2001/02 fiscal year.

Divisional staff also prepared background briefings, operational plans, and preliminary consultation strategies for the Labour Code Review. The *Labour Relations Code* is the legislation that governs the relationship between employers and unionized workers and sets the rules regarding certification, picketing, strikes, and other situations.

Mediation Services assists labour and management to resolve disputes in collective bargaining negotiations. Mediation is required by legislation prior to the parties being legally permitted to strike or lockout. Mediation Services also seeks to promote positive labour and management relations throughout Alberta. Provincially-appointed mediators play a key role in assisting clients reach collective agreements through mediated settlements. In 2001/02, 159 mediation appointments were made. The department responded to 392 requests to assist parties in the resolution of grievances under their collective agreements and made 339 arbitration appointments.

3.3 *Alberta's employees and employers benefit from fair and balanced employment standards and practices.*

Employment Standards also continues its partnership arrangement with the Alberta Restaurant and Foodservices Association. Complaints registered by employees of Association members were reduced by more than 50% as a result of the partnership. Two new partnership arrangements were explored and formalized with the Alberta Hotel Lodging Association and the Retail Merchant's Association of Alberta.

Where complaints required investigation, prompt and timely information, counselling and impartial dispute resolution assistance were provided. Eighty-two percent of all registered complaints were completed within 120 days; 93% within 180 days; and 99% within 365 days.

A fact sheet was developed to improve compliance with Employment Standards in the construction industry. The fact sheet was reviewed by major stakeholders in the construction industry and distributed to members of the Alberta Construction Association.

3.4 *Alberta has effective professional standards and practices.*

Alberta Human Resources and Employment's Professions and Occupations Unit is responsible for the governing legislation of 11 professional associations which are granted self-regulating responsibilities through 8 individual Acts, together with an additional 12 professional and occupational associations that are regulated under a single umbrella statute, the *Professional and Occupational*

Associations Registration Act. Professions and Occupations works closely with these professional and occupational associations, and also with other government departments, to ensure that the professional activities of these 23 associations are administered in the public interest.

In April 2001, Professions and Occupations assumed responsibility for Land Agents Licensing, which was transferred to AHRE from the Department of Environmental Protection. Land Agents Licensing is responsible for ensuring that the province's approximately 1,200 registered Land Agents, persons who negotiate interests in land for business corporations, fulfill the professional responsibilities required of them in the *Land Agents Licensing Act* (LALA).

In the 2001/2002 fiscal year:

- The *Regulated Accounting Profession Act* (RAPA) brought the governing legislation for three accounting organizations under one statute and replaced the *Chartered Accountants Act*, the *Certified Management Accountants Act*, and the *Certified General Accountants Act*.
- RAPA updated the professional accountancy legislation and brought it into compliance with government policy on professional legislation as reflected in the *Health Professions Act*.

The Alberta Legislature approved amendments to the *Regulated Forestry Profession Act* (RFPA), which governs the province's forestry and forest technology professions, to bring this statute into line with the *Health Professions Act* (HPA), the current model for Alberta professional legislation. Supporting regulations were approved by the Alberta Cabinet to bring the RFPA into force. Amendments to the *Veterinary Profession Act* were also introduced in the Alberta Legislature, to bring that statute's disciplinary provisions into line with those contained in the HPA.

The department continues to promote the public interest by ensuring the free movement and equitable access of individuals to employment opportunities within Alberta and elsewhere in Canada. In July 2001, the department completed all legislated obligations required under Chapter 7 of the *Agreement on Internal Trade*. Amendments to Alberta's professional legislation pertaining to labour mobility were also communicated across Canada. Currently, 43 of 51 Alberta professional regulatory bodies have signed mutual recognition agreements with regulatory bodies from other Canadian jurisdictions.

PERFORMANCE MEASURES

The following measures are affected by the economic environment. Increased economic activity can particularly affect the workplace injury and disease measure as a robust economy tends to result in workers with less experience entering the workforce.

Indicators of labour stability in Alberta include the percentage of collective agreements that parties reach on their own, as well as the percentage of mediation appointments that avoid work stoppages. Alberta provides employees and employers with a legislative framework to resolve collective

bargaining disputes and also offers assistance in developing effective solutions to workplace issues.

Alberta Human Resources and Employment develops and implements employment standards, educates employers and employees, and monitors compliance. The number of Employment Standards complaints provides an indication of the success of proactive educational initiatives and compliance programs.

KEY PERFORMANCE MEASURE

3.1 Inter-provincial ranking of Alberta's person-days lost due to workplace injury and illness*

New Measure

1998	1999	2000	Target
Lowest	Third Lowest	Data not available**	Maintain rank among the three lowest in Canada

Note:

* Data refer to calendar year.

** Other provincial data unavailable from Human Resources Development Canada at the time of printing.

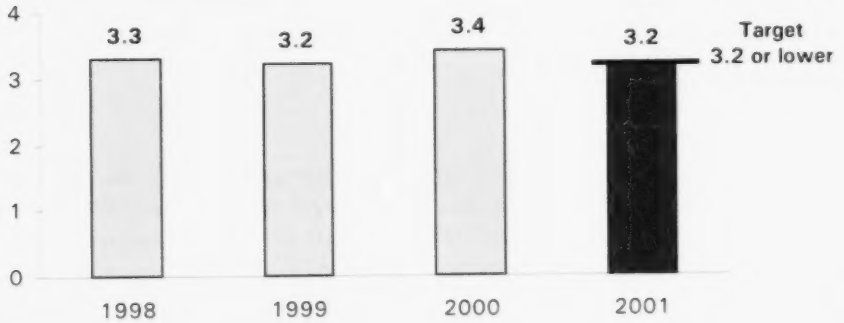
Sources: Alberta Human Resources and Employment and Human Resources Development Canada.

ANALYSIS

Alberta ranked third lowest among the provinces in 1999. An inter-provincial ranking for 2000 was not available at the time of printing.

KEY PERFORMANCE MEASURE

3.2 Lost-time claim rate: number of lost-time claims per 100 person-years worked*†



Note:

* Data refers to calendar year.

Sources: Alberta Human Resources and Employment and Workers' Compensation Board.

† The Lost-Time Claim Rate is calculated as the ratio of WCB compensated lost-time claims to person-years worked. Claims are included in a calendar year if they were made within that year and compensated for by March 31 of the following year. Person-years are an estimate of those worked by employees with WCB coverage.

ANALYSIS

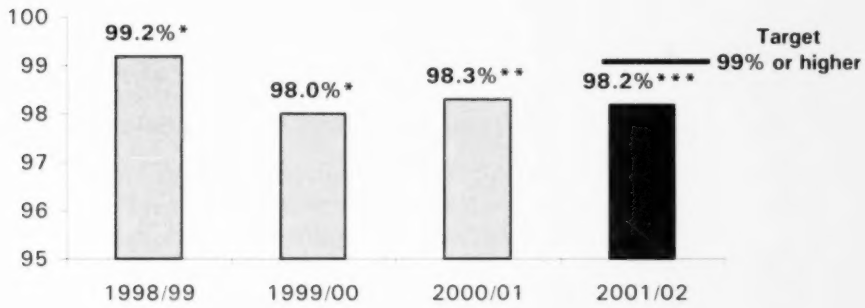
The lost-time claim rate provides an estimate of the probability, or risk, of disabling injury or disease to a worker during a period of one year's work. A lost-time claim occurs when a worker receives wage loss compensation for one or more days after the date of injury.

In 2001, the lost-time claim rate at the provincial level decreased from 3.4 to 3.2 per 100 person-years.

The establishment of effective systems in occupational health and safety promotes reductions in the lost-time claim rate.

KEY PERFORMANCE MEASURE

3.3 Percentage of collective bargaining agreements settled without a work stoppage (strike or lockout)[5]



Notes:

* Methodological changes in analytic procedures were introduced in 2000/01. Historical data have been revised using new methods to be comparable.

** Data captured in the newly developed Integrated Bargaining Information System (IBIS) as of May 24, 2001.

*** Data captured in the Integrated Bargaining Information System (IBIS) as of May 6, 2002.

Source: Alberta Human Resources and Employment – Integrated Bargaining Information System (IBIS)

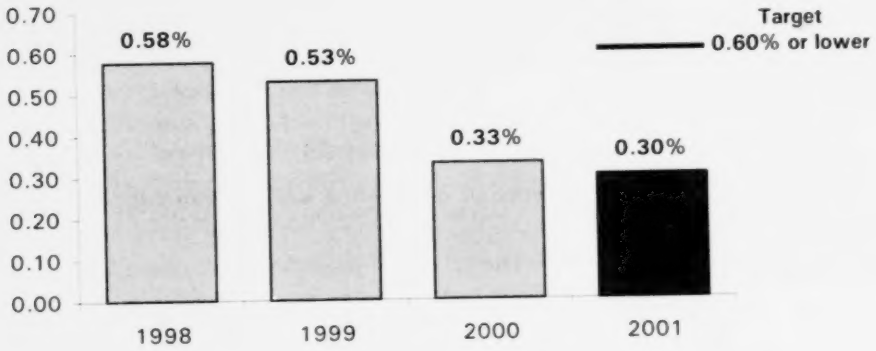
ANALYSIS

The percentage of expired collective agreements that were settled without a work stoppage continues to remain close to the target of 99 percent. Factors influencing this measure in the 2001/02 year include a low unemployment rate, a shortage of skilled workers in some sectors, and a high expectation of workers and demands of unions as a result of current economic growth in the Alberta economy.

[5] The measure is calculated using the number of Collective Bargaining Agreements (CBAs) covered under the *Alberta Labour Relations Code* and the *Police Officers' Collective Bargaining Act* filed with Alberta Human Resources and Employment that were settled without legal work stoppage. The measure is a ratio of the number of settled CBAs, less legal strikes and lockouts, to the number of settled CBAs.

KEY PERFORMANCE MEASURE

3.4 Number of employment standards complaints registered for investigation as a percentage of Alberta's eligible workforce*



Note:

* Data refers to calendar year.

Sources: Alberta Human Resources and Employment – Employment Standards Information System (ESIS); Statistics Canada – Labour Force Survey.

ANALYSIS

The effectiveness of the department's educational initiatives and compliance programs is reflected in the number of registered complaints. The number of employment standards complaints registered for investigation as a percentage of Alberta's eligible workforce was the lowest recorded since the measure was established in 1993. This is a significant result, since decreased unemployment and significant increases in economic activity typically result in an increase in the percentage of registered complaints.

* The measure is calculated as the number of Employment Standards complaints registered for investigation in a calendar year, as a percentage of the eligible workforce. Registered complaints are maintained in the Employment Standards Information System (ESIS) at Alberta Human Resources and Employment. The eligible workforce is defined as the total number of agricultural and non-agricultural paid workers in Alberta, less employees under federal jurisdiction who have their own employee grievance procedures. Eligible workforce data are derived from the Statistics Canada Labour Force Survey.

core business

Providing individual and income supports

Supports the People Core Businesses of the Government of Alberta and the cross ministry initiative on Alberta Children and Youth Initiative.

Assured Income for the Severely Handicapped (AISH) provides a basic level of income to persons with severe and permanent disabilities that prevent them from earning a livelihood. The AISH program is income and asset tested, but not needs tested.

Alberta Widows' Pension (WP) provides a basic level of income to widows and widowers between the ages of 55 and 64 who have limited financial resources. The program recipients are income tested, but not asset and needs tested.

Supports for Independence (SFI) provides financial and employment assistance for individuals and families who cannot meet their monthly needs. Individuals and families must meet a number of income, asset, and needs criteria, and must have exhausted all alternative means of support.

The **Alberta Child Health Benefit (ACHB)** is a premium-free health benefit plan that provides dental, optical, emergency ambulance, essential diabetic supplies and prescription drug coverage for children living in families with low incomes.

Family Maintenance (FM) helps single parents and parents of blended families receive financial support from the other parent of their children.

The **Office of the Public Guardian (OPG)** assists private individuals to obtain a guardianship order (private guardian) for an adult who is unable to make independent decisions. They also appoint public guardians for those dependent adults who do not have family members or other interested persons who might apply to become a guardian.

Goal 4: Albertans in need of assistance will receive support

INTENDED RESULT 4.1

Income supports and other financial benefits are targeted to those most in need.

STRATEGIES

Continue to improve income support programs to ensure low-income Albertans have access to the supports they require by:

- Implementing strategies to increase awareness of benefits available to low-income families through the Alberta Child Health Benefit program.
- Continuing to assess programming for low-income Albertans to ensure they can meet their basic needs.
- Continuing work to ensure non-custodial parents assume their appropriate financial responsibility.
- Reviewing the Widows' Pension Program.
- Reviewing the SFI income exemption policies and related program rules to ensure that the programs' goals to encourage clients to work are being supported and furthered.
- Supporting local and provincial initiatives to address homelessness.

INTENDED RESULT 4.2

Alberta's dependent adults receive the best supports and safeguards.

STRATEGIES

Ensure the dependent adult receives the best possible representation for their needs by:

- Encouraging private guardians, as the best alternative for the dependent adult, to assume responsibility whenever possible.
- Encouraging Albertans to plan for their future through the use of Personal Directives.

RESULTS

4.1 Income supports and other financial benefits are targeted to those most in need.

Although the department encourages Albertans to participate in the workforce, it also provides support to those who are unable to fully support themselves through the Assured Income for the Severely Handicapped (AISH), Alberta Widows' Pension (WP), and Supports for Independence (SFI). Other supports for low-income Albertans include the Alberta Child Health Benefit (ACHB) and Family Maintenance (FM). Services for dependent adults are provided by the Office of the Public Guardian (OPG).

Assured Income for the Severely Handicapped (AISH) is an income support program for adult Albertans with a permanent disability that severely impairs their ability to earn a living. Currently, there are approximately 29,000 Albertans receiving AISH. Thirty-one percent are mentally ill, 22% have a developmental disability, 45% have a variety of physical conditions ranging from arthritis to cardiovascular or respiratory diseases, and 2% have some form of sensory deprivation. AISH regulations were clarified regarding the treatment of structured settlements and annuities, to ensure that AISH is directed to the people who need it most.

The Alberta Widows' Pension (WP) provides benefits to widows and widowers aged 55 to 64 who have limited financial resources. An Alberta Human Rights Panel hearing was held regarding discrimination on the basis of marital status. The panel overruled the challenge. This decision was appealed by the Director of the Alberta Human Rights Commission to the Court of Queen's Bench and a decision is pending.

Supports for Independence (SFI) provides financial and employment assistance for individuals and families whose income and assets are insufficient to meet their basic needs. The department continued to extend health benefits to clients who left the SFI Assured Support program or AISH for employment. In addition, to further encourage the employment efforts of Assured Support clients, their self-employment income from home-based businesses is now defined as "employment income" and is partially exempt.

Support for low-income families with children in Alberta continues to be enhanced through participation in the National Child Benefit (NCB) strategy. Under the NCB strategy, reinvestments in 2001/02 were made in improving work incentives in the SFI program. As a result, earnings exemptions for single parent families and those with two working parents were increased by $115 per month. In addition, a new work maintenance benefit of $120 per year was introduced and children's earnings were completely exempted as long as the child is attending school.

For more information on the National Child Benefit visit: http://www3.gov.ab.ca/hre/ncb/

The Alberta Child Health Benefit (ACHB) provides children in low-income families with premium-free prescription drugs, eye glasses, dental care, essential diabetic supplies, and emergency ambulance services. In order to increase the number of eligible families enrolled in the program, benefits were advertised to Albertans through the use of transit and newspaper advertisements and

Application form for the Alberta Child Health Benefit available at: http://www3.gov.ab.ca/hre/achb/

program brochures with applications that were mailed to eligible families. Application forms are also available online.

Family Maintenance (FM) helps single parents and parents of blended families on SFI obtain child support orders or agreements from the non-custodial parents of their children. The percentage of FM clients who had a child support order or agreement when the family maintenance file closed was 61%, an increase of 5% from the previous fiscal year. Significant work was completed in co-operation with the Maintenance Enforcement Program, Ministry of Justice, to ensure that child support payments are properly redirected from the Crown once the parent is no longer in receipt of income support benefits.

In an effort to support local and provincial initiatives addressing homelessness and the need for transitional housing supports, Community Plans were developed in consultation with members of the community within each of the six regions across the province. Some regions, including Edmonton and Calgary, have been able to initiate outreach services to enhance services to the homeless and those displaced from stable housing. Expenditures for the homeless and hard-to-house for this fiscal year were $14.3 million.

The Low-Income Review MLA Committee Members are:

Thomas Lukaszuk, Chair, MLA Edmonton Castle Downs
Alana DeLong, MLA Calgary-Bow
Broyce Jacobs, MLA Cardston Taber-Warner
Gary Masyk, MLA Edmonton-Norwood
Moe Amery, MLA Calgary-East

In June 2001, Minister Dunford established an MLA Committee to review the programs and supports provided by the department to low-income Albertans. The purpose of this review was to ensure that these programs continue to help low-income families meet the challenges they face. The committee solicited public input by releasing a discussion guide and questionnaire entitled *Extending the Alberta Advantage*, which outlines the range of financial, training, and employment programs offered by the department.

Extending the Alberta Advantage is available at: http://www3.gov.ab.ca/hre/lir/

4.2 *Alberta's dependent adults receive the best supports and safeguards.*

Through OPG, the department assures appropriate surrogate decision-making mechanisms and ensures that supports and safeguards are available to assist adult Albertans who are unable to make personal care decisions. During the past year:

- Self-help kits were updated to reflect consumer feedback and added to the Public Guardian website. Self-help kits provide information to private guardians on how to obtain a guardianship order or renew an existing order.
- Presentations on the support and services provided by the OPG were delivered to stakeholders throughout the province. These presentations provided information on guardianship and personal directives.

For more information on self-help kits visit: http://www3.gov.ab.ca/hre/opg/index.html

A personal directives brochure was updated and distributed to over 5,000 physicians and 2,000 service providers, including hospitals and nursing homes. A personal directive allows one to prepare written instruction on medical treatment in the case that one might become incapable of making those decisions later. Albertans can also call a toll free number to speak with a personal directive specialist. All personal directive specialists were provided

For more information call a personal directive specialist 1-888-515-0080

with Aboriginal sensitivity training to ensure that the needs of Aboriginal clients are met.

PERFORMANCE MEASURES

The department offers a variety of income supports to those who are unable to meet their basic needs.

KEY PERFORMANCE MEASURE

4.1 Relationship between clients receiving financial assistance and the Market Basket Measure (MBM) low-income threshold

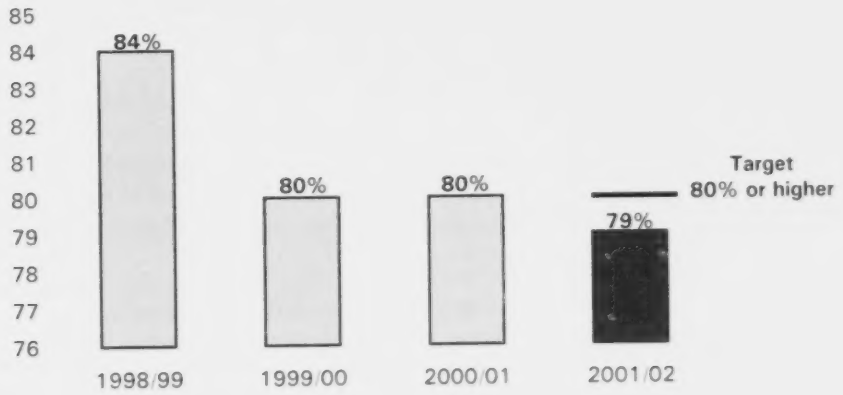
New Measure

Data for the MBM is being validated by the Applied Research Branch of Human Resources Development Canada (HRDC). It is anticipated that MBM data will be released by the National Child Benefit (NCB) Federal/Provincial/Territorial Working Group in late 2002.

New Measure

KEY PERFORMANCE MEASURE

4.2 Percentage of dependent adults with private guardians[7]



Source: Alberta Human Resources and Employment – Office of the Public Guardian (OPG) Information System.

ANALYSIS

The Office of the Public Guardian (OPG) believes that the highest quality of support for dependent adults is provided by either family or community members under the provision of private guardianship and actively encourages this arrangement. The percentage of dependent adults with a private guardian compared to those with a public guardian indicates how effective the OPG is in promoting the best quality of care for dependent adults. Data from previous years indicate that the percentage of dependent adults with private guardians is decreasing. There are a number of reasons the target might not have been met. Alberta's population is aging, increasing the potential for older dependent adults. A growing public awareness of Fetal Alcohol Syndrome (FAS) and

[7] Data on the number of dependent adults registered with the Office of the Public Guardian is collected by the Office of the Public Guardian Information System.

Fetal Alcohol Effect (FAE) have also resulted in an increase in the number of FAS/FAE related referrals.

SUPPLEMENTAL INFORMATION

Caseloads

	1998/99	1999/00	2000/01	2001/02
Supports for Independence*	32,538	31,112	28,354	27,009
Assured Income for the Severely Handicapped	23,093	24,760	26,700	28,586
Alberta Child Health Benefit	37,873**	54,921**	62,311**	66,293
Dependent adults				
Public Guardian	1,683	1,885	1,913	1,991
Private Guardian	9,067	7,445	7,460	7,520

Notes:

* This is a count of the number of families receiving SFI.

** The methodology for reporting the average monthly caseloads has changed to reporting actual caseloads at year end. Therefore, the 1998/99, 1999/00 and 2000/01 results differ from those reported in the 2000/01 Annual Report.

Source: Alberta Human Resources and Employment – Infopac, Alberta Child Health Benefit.

ANALYSIS

The SFI program is intended to provide temporary assistance to those in need. Caseload reductions over the past four years suggest that more Albertans have returned to the workforce and are receiving assistance through employment initiatives. Supports to low-income families such as Alberta Child Health Benefit (ACHB) and National Child Benefit further assist Albertans to remain self sufficient and independent in the workplace.

Assured Income for the Severely Handicapped provides benefits to persons with severe and permanent disabilities. As the Alberta population increases and ages, the caseload is expected to rise. The average monthly caseload has increased by almost 7% over the last year.

The ACHB addresses a significant barrier faced by low-income parents on assistance who are moving into the labour market. By providing premium-free health benefits to children in low-income families, ACHB promotes child health and helps families remain independent. Success is demonstrated by an increasing uptake of the program and extending coverage to more low-income families with children. The number of families registered with the program increased 6% over last year.

The Office of the Public Guardian assists adult Albertans who are unable to make personal decisions because of a mental disability or illness. The total number of dependent adults with a private or public guardian increased only 1% from last year. The number of dependent adults with a public guardian increased almost 4% from last year.

The Alberta Widows' Pension helps widows and widowers who have limited financial resources. The monthly average of individuals qualifying for benefits decreased from 2,362 in 2000/01 to 2,241 in 2001/02.

operational goal

Albertans will receive effective and efficient programs and services

Supports the People, Prosperity, and Preservation Core Businesses of the Government of Alberta, and cross ministry initiatives on Economic Development Strategy, Alberta Children and Youth Initiative, Aboriginal Policy Initiative, and Seniors Policy Initiative.

Goal 5: **Albertans will receive effective and efficient programs and services**

INTENDED RESULT 5.1

Clients are satisfied with the overall quality of department programs and services.

STRATEGIES

Continually improve the effectiveness and efficiency of department processes and systems by:

- Developing and implementing a plan to regularly evaluate Alberta Human Resources and Employment programs and services.
- Reviewing and improving appeals processes for department clients.
- Developing and implementing the strategic delivery model to provide multi-channel access to programs and services through the Department's Business Transformation initiative.
- Developing a Human Resource plan and staff development strategies that promote a learning organization culture.
- Continuing to integrate IT services, information, and facilities to support department realignment.
- Enhancing financial management in the department by: implementing consistent contract management policies and procedures; reviewing and updating the Internal Financial Control Strategy; and commencing implementation of a comprehensive business recovery plan.

INTENDED RESULT 5.2

Stakeholders and partners are satisfied with the contribution of the Department in key cross ministry initiatives.

STRATEGIES

Support, contribute, and add value to relevant initiatives by:

- Providing opportunities and vehicles for the Department's external stakeholders to provide input into initiatives.
- Continuing to actively support the four Government Priority Policy Initiatives: Aboriginal Policy Initiative, Economic Development Strategy, Seniors Policy Initiative and Alberta Children and Youth Initiative.
- Continuing to support other cross ministry initiatives including the four Key Administrative Initiatives: Alberta Corporate Service Centre Initiative, Corporate Human Resources Development Strategy, Corporate Information Management/Information Technology Strategy, and Service Alberta.

RESULTS

5.1 Clients are satisfied with the overall quality of department programs and services.

The department successfully developed principles and a framework that supports multi-channel access to AHRE's programs and services. This framework is being used by the department to support the implementation of the Low-Income Review and Skills Investment Strategy and the review of the AHRE service delivery network.

The Strategic Information Environment (SIE) project is an information management solution that provides AHRE staff with ready access to workplace and labour market information, including demographics on Alberta communities, data from Workers' Compensation Board (WCB) and labour force statistics. SIE also provides access to information on AHRE people and skills investments. SIE was launched for internal use in 2001/02. In later phases labour market and workplace information in SIE will be available to the public.

Quicklaw subscription available at http://www.qlsys.ca/

The department supports a comprehensive and efficient appeals process that allows Albertans to appeal assorted benefit decisions made by program areas in several departments. The appeals process was improved by compiling information on appeals and posting this on the departmental internet site. Decisions were also made available to Quicklaw subscribers as of May 2001. Quicklaw is an online research service providing lawyers and legal researchers across Canada with a database of caselaw from courts, boards, and tribunals.

The department has undertaken a number of initiatives to improve the effectiveness and efficiency of its programs and services. Following are examples in addition to information noted throughout this report:

- Some sites integrated service delivery by co-locating with Alberta Service Centres and/or Human Resources Development Canada. Some sites also experienced an integration of AHRE staff, services and programs.

- The department was re-organized to realign programs, systems, processes, and resources with core business. The re-organization also clarified lines of accountability and further facilitated the integration of three former departments that are now part of AHRE.

AHRE's structure was reorganized in order to better meet Albertans' needs.

- The department integrated roles by implementing a pilot project integrating Employment and Client Support Services and Career Counsellor roles.
- Meetings were held with representatives from all regions to review existing training and employment programs and recommendations were provided as to how the programs should be changed. This information is now included within the Skills Investment Strategy and program re-design.
- A Privacy Policy developed by a cross-divisional working group was approved for implementation in the 2002/03 fiscal year. A Security Policy was also drafted and submitted for review. These policies are part of a larger framework that will ensure the department respects the privacy of its clients while maintaining effective service delivery.

5.2 *Stakeholders and partners are satisfied with the contribution of the department in key cross ministry initiatives.*

AHRE Involvement in Government Priority Policy Initiatives Undertaken in the Last Year

Government Priority Policy Initiative	Results
Aboriginal Policy Initiative (API)	Provided leadership and resources for the *Participation of Aboriginal Peoples in the Economy* and developed 2001-02 key objectives, strategies and targets relating to health and well-being, educational attainment, and increased participation in the economy. Hosted a presentation from the Ontario Government on Aboriginal Policies, Programs and Services to build expertise and understanding within the Alberta Public Service.
Economic Development Strategy (EDS)	Minister Dunford released the provincial labour market strategy paper titled *Prepared for Growth: Building Alberta's Labour Supply*. Presentations were delivered to stakeholder groups to solicit feedback. Implementation and monitoring of actions identified in the strategy paper are underway.
Seniors Policy Initiative (SPI)	The department participated on the Steering Committee of the Seniors Policy Initiative and co-chaired the Workplace and Education sub committee. The department contributed data and analysis for the development of the Strategic Framework and the 10-year Action Plan.

Government Priority Policy Initiative	Results
Alberta Children and Youth Initiative (ACYI)	The department continues to participate in, and support the ACYI Partnering Deputies Committee and the ACYI Coordinating Committee. AHRE is also involved in numerous ACYI working groups and subcommittees including: the Early Childhood Development baseline working group, the ACYI Information Sharing Committee, the Youth in Transition Framework Development Working Group, and the Alberta Children's Mental Health Cross-Government Working Group. AHRE was also involved in the 2001 Children's Forum in Calgary.

AHRE Involvement in Key Government Administration Initiatives

Key Administrative Initiative	Results
Alberta Corporate Service Centre Initiative (ACSC)	AHRE continued to provide strong support by participating in various working groups and committees.
Corporate Human Resource Development Strategy	The department exceeded public service averages on all measures of the core measures survey. Performance criteria, linked to the Alberta Public Service competencies, were added to the performance system for managers and opted-out/excluded employees. Twenty-four work experience, co-op, and intern placements were used to provide Albertans with public service work experience. Seventy-four staff participated in developmental opportunities within the department, public service, or external organizations. AHRE also created a Leadership Program to develop leadership capacity within the department. The program's features include participation from all levels of the organization, experiential learning, mentorship, and the provision of developmental opportunities. By March 2002, 79 participants were actively involved in the program.
Corporate Information Management/ Information Technology Strategy	AHRE played a lead role in the development of the Government of Alberta Contracted Management Administration System (GOA-CMAS) by leading the development of a GOA Requirements Document, a Request for Proposal and a GOA selection committee. GOA-CMAS will be the GOA standard and all ministries will be required to use it when implementing a new contract management system.

Key Administrative Initiative	Results
Service Alberta	Department representatives sat on all committees and assisted with shaping the future of the initiative. Information Management/Information Technology projects in the department were designed to ensure alignment with the directions of Service Alberta as appropriate. The department also provided consultation and advice to Service Alberta on a web content management product.

PERFORMANCE MEASURES

A wide range of training and employment, and financial assistance programs are available to individuals needing assistance. Client satisfaction with key department programs is a measure of the degree to which these programs are meeting the needs of the clients.

KEY PERFORMANCE MEASURE

5.1 Satisfaction of individuals who have used key departmental programs[8]

	1998/99	1999/00	2000/01	2001/02	Target
Employment and Training Programs and Job Placement	91%	92%	92%	93%	85% or higher
Career and Employment Assistance Services	n/a	n/a	82%	86%	85% or higher
Supports for Independence	n/a	n/a	70%	79%	85% or higher
Alberta Child Health Benefit	n/a	n/a	92%	n/a	n/a

Source: Alberta Human Resources and Employment – Infopac; Widows' Pension System; Alberta Child Health Benefit System.

ANALYSIS

Client satisfaction with career and employment programs, career development services, Supports for Independence, and the Alberta Child Health Benefit is high. The most recent information in each area indicates that the target of 85 percent was exceeded for both Employment Training Programs and Career and Employment Assistance Services. The satisfaction results achieved each

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Further Notes: Alberta Human Resources and Employment – Work Outcome Reporting Project (WORP): This is a census survey of all Short Term Skills (non-Apprentices), Basic Foundation Skills Training program leavers, and Temporary Employment Program participants who are followed up by an independent contractor at either three months (LMDA clients) or six months after leaving the program. CEAS workshop participants and clients receiving SFI are followed up through a random sample. This is an on-going project. Data presented include follow-up data on the question regarding overall satisfaction with the program (total of 4,468 participants).

Alberta Human Resources and Employment – Career Assistance Information System (CAIS): satisfaction with Training on the Job, Self-Employment, Skills for Work, and Job Placement was determined by clients' responses as to their overall satisfaction with the training programs and services provided. Satisfaction rates with these programs are reported by contracted agencies (total of 4,165 respondents).

Client satisfaction with the Alberta Child Health Benefit is obtained from a survey which is conducted biennially. No data is available for the current reporting period.

year are related to the types of clients accessing the programs and services and their ability to obtain work.

Improvements in the method(s) used to assess satisfaction yielded results that are not fully comparable to previous years.

KEY PERFORMANCE MEASURE

5.2 Percentage of service providers and private guardians/families satisfied with the supports and services provided by the Office of the Public Guardian*

	1999/00	2000/01	2001/02**
Service Provider	75%	92%	n/a
Private Guardian	n/a	86%	n/a
Target	n/a	85%	n/a

Notes:

* A different survey instrument was used in 2000/01. This survey instrument was modified using information that was gained in a pilot test (1999/2000). Therefore, the satisfaction of service providers cannot be compared across years.

** Biennial survey (data not available for this year).

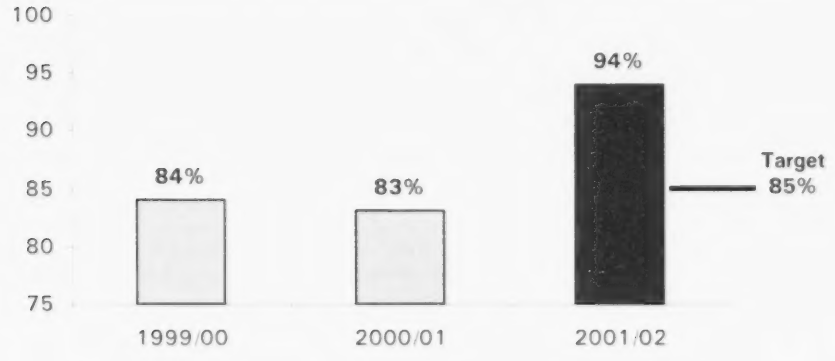
Source: Alberta Human Resources and Employment – 2000 and 2001 Satisfaction Survey.

ANALYSIS

In 1999/00, a pilot survey of service providers who access the services on behalf of their clients was conducted. Over three quarters of these respondents indicated they were satisfied with the services of the Office of the Public Guardian (OPG). During 2000/01, an improved methodology was used to assess the satisfaction of private guardians and service providers. Over 85% in both groups were satisfied with the supports and services provided by the OPG. Due to modifications to the survey instrument, satisfaction cannot be compared across years.

SUPPLEMENTAL INFORMATION

Partners' perception of the department's contribution on key initiatives



Source: Alberta Human Resources and Employment – Survey of Government Partners.

ANALYSIS

Alberta Human Resources and Employment contributed to the success of cross-government initiatives by providing resources, information, and effective leadership. Survey results indicate that partnering ministries found AHRE staff to be fair[1] when collaborating with partners (94%), very approachable (98%), very courteous (100%) and very helpful (95%).

Dropped Performance Measures

Some measures from the 2000-2003 Business Plan were dropped as they were no longer relevant to the goals presented in the 2001-2004 Business Plan. Appendix 1 reflects past measures and their related status.

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[1] Survey was conducted by an independent contractor. The analysis was based on 63 respondents. A five point response scale was used in the 1999/00 survey instrument, while a four point response scale was used in the 2000/01 survey instrument. This makes comparison between the two years difficult.

future challenges

goals, measures, results

Alberta Human Resources and Employment will continue to invest in people and foster safe and productive workplaces. As people's needs change and the workplace continues to evolve, the department is faced with various challenges in the years ahead. As the department adjusts to meet these challenges, staff will continue to maintain the high standards that Albertans deserve.

Key Challenges include:

Assured Income for the Severely Handicapped (AISH) caseloads are increasing rapidly as a result of an aging population and increasing health care costs. The challenge will be to make sure that AISH adequately supports those who need it most.

Many Albertans who rely on the government for social assistance are experiencing the negative effects of an expanding economy. The lack of low cost affordable housing coupled with unchanged benefit levels is making it increasingly difficult for families to make ends meet. The MLA Committee to Review Low-Income Programs traveled across the province to listen to the concerns of Albertans. Employment for adults and healthy development for children are key determinants of our future. The challenge for government will be to address the concerns raised while being fiscally and socially responsible.

Alberta has had significant success in changing social assistance from passively distributing income support into actively supporting clients as they enter the workforce. The department will build on this success by aligning its people and skills investment programs to ensure a rational system of incentives and supports is available that meets basic needs, prepares people for work and keeps people in the workforce.

Alberta Human Resources and Employment has an array of training and employment programs. Many of these programs were designed in the 1990s when the labour market was very different. These programs need to be more responsive to emerging issues, such as Alberta's tight labour market. To fill skill shortages created by our rapid growth and address future needs created by

an aging workforce, Alberta Human Resources and Employment is developing a new strategy for skills investment. The challenge is to develop programs for persons with disabilities, Aboriginal people, youth and immigrants to gain additional skills and support their full participation in the labour force.

Workplace incident rates remain a concern as more young and inexperienced workers enter the Alberta workforce. The department's challenge is to ensure compliance with workplace safety regulations during periods of rapid economic growth by developing strategies to motivate employers to improve supervision and train new workers.

The Minister of Alberta Human Resources and Employment will be entering into new Memoranda of Understanding with the Workers' Compensation Board (WCB) and the Appeals Commission. This will provide a new accountability framework and clear performance measures which, implemented in conjunction with the legislative amendments of Bill 26, will improve their accountability to their stakeholders and to the government.

Alberta's *Labour Relations Code* provides labour and management with the necessary tools to resolve disputes effectively. The Alberta Government has an obligation to periodically update the *Code* to reflect the current business environment. The challenge will be to build upon the strengths of the *Labour Relations Code* in a way that meets the needs of both employers and employees.

Financial Analysis and Discussion

Ministry of Alberta Human Resources and Employment

financial analysis and discussion

The following financial statements for the Ministry of Alberta Human Resources and Employment include the activities of the:

- Department of Alberta Human Resources and Employment (AHRE)
- Personnel Administration Office (PAO)
- Alberta Labour Relations Board (ALRB)

Pursuant to the *Government Accountability Act*, the activities of the Workers' Compensation Board (WCB) are not included in the financial statements of the Ministry of Human Resources and Employment. The WCB's activities are reported separately. The audited financial statements and a brief analysis of financial results are included in this Ministry annual report on page 173.

FINANCIAL INFORMATION
FINANCIAL RESULTS AND PERFORMANCE

Financial Results

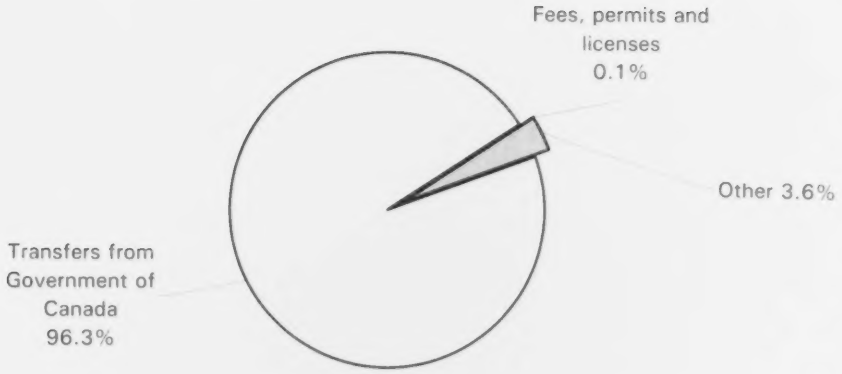
Accountability

Financial results of the Ministry of Human Resources and Employment for the year ended March 31, 2002 include the activities of the Personnel Administration Office, the Labour Relations Board, and the Department of Human Resources and Employment. More detailed information can be found in the Ministry's financial statements included in the Annual Report.

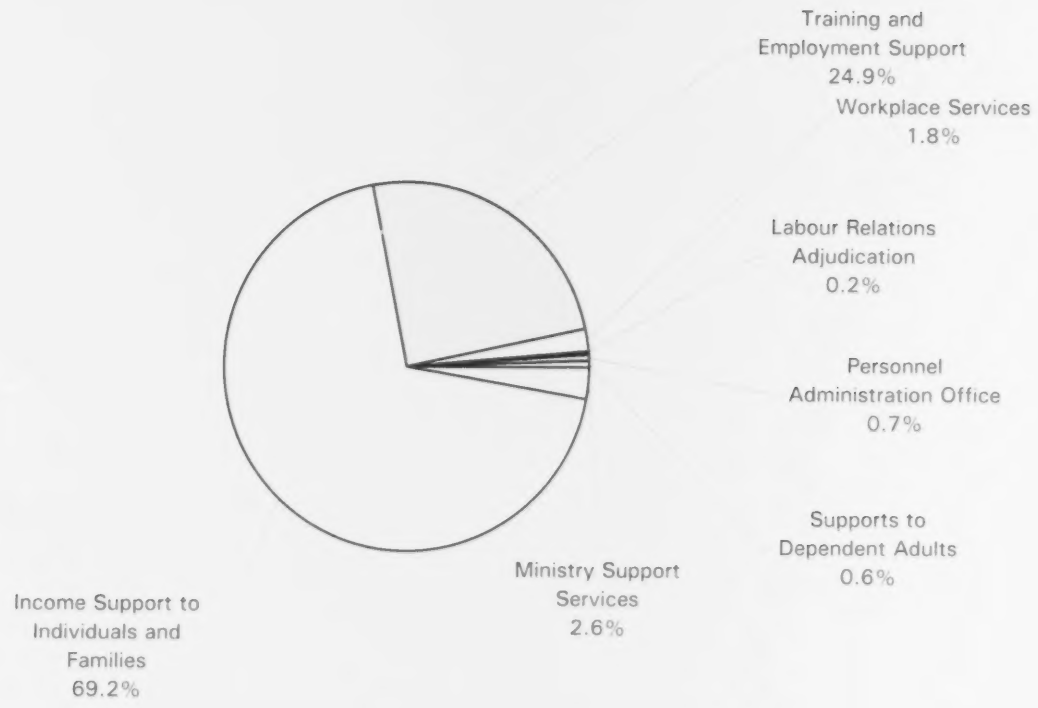
(in thousands)

	2002		2001
	Budget	Actual	Actual
Revenue			
Transfers from Government of Canada	$ 399,116	$ 442,978	$ 460,562
Fees, permits and licenses	270	264	283
Other	12,540	16,439	12,248
	411,926	459,681	473,093
Expense			
Voted:			
Ministry Support Services	29,188	27,785	24,486
Income Support to Individuals and Families	752,288	726,793	684,021
Training and Employment Support	274,156	261,004	264,226
Workplace Services	17,857	18,814	15,739
Labour Relations Adjudication	2,178	2,289	2,105
Personnel Administration Office	7,944	7,042	7,747
Supports to Dependent Adults	5,568	5,916	5,419
	1,089,179	1,049,643	1,003,743
Valuation Adjustments			
Provision for doubtful accounts, vacation pay and repayable advance	(34,720)	(31,306)	3,001
	1,054,459	1,018,337	1,006,744
Loss on Disposal of Capital Assets		29	
Net Operating Results	$ (642,533)	$ (558,685)	$ (553,651)

Sources of Revenue – $460 million



Expenses by Program – $1.0 billion


Training and Employment Support 24.9%
Workplace Services 1.8%
Labour Relations Adjudication 0.2%
Personnel Administration Office 0.7%
Supports to Dependent Adults 0.6%
Ministry Support Services 2.6%
Income Support to Individuals and Families 69.2%

DISCUSSION OF FINANCIAL RESULTS/PERFORMANCE

Results of Operations

Revenues

Revenues for the Ministry of Human Resources and Employment amounted to $459.7 million for 2001-2002. Transfers from the federal government totalled $443.0 million (Canada Health and Social Transfers – $284.8 million, Labour Market Development Agreement benefits – $122.6 million, Services to On-Reserve Status Indians – $13.3 million and Rehabilitation of Disabled Persons – $22.3 million.) The remaining $16.6 million in revenues is made up of overpayment collections from Supports for Independence, Assured Income for the Severely Handicapped and Widows' Pension clients. This also includes prior year refunds of all other payments, $6 million recovered from the Workers' Compensation Board under an agreement with Workplace Health and Safety, and $0.3 million from fees, permits and licenses.

Comparison of 2001-2002 Budget to Actual

Actual Revenues were $47.8 million higher than budgeted owing primarily to higher than expected transfers from the federal government. Federal transfers under the Canada Health and Social Transfer were $40.7 million higher than budgeted as this revenue is determined by a formula that is impacted by population changes and provincial personal and corporate income taxes. Revenue received under the Labour Market Development Agreement was $389,000 higher than budgeted. Federal transfers for Services to On-Reserve Status Indians were $2.4 million higher than budgeted due to increased caseloads in the Assured Income for the Severely Handicapped and administration costs. Other Revenues were $3.9 million higher due to reclassification of unused prior year accruals as revenue.

Comparison of 2001-2002 Actual to 2000-2001 Actual

Total revenues for the Ministry decreased $13.4 million from the 2000-2001 Actuals. The revenue under the Labour Market Development Agreement is $1.6 million lower because the federal government no longer provides financial support for systems software upgrades. Canada Health and Social Transfers were $19.0 million lower than 2000-2001 due to decreased revenues received by the Province from personal income tax receipts. These decreases in total revenue were partially offset by an increase of $3.0 million in Services to On-Reserve Status Indians due to increased caseloads, particularly in the Assured Income for the Severely Handicapped program and increased administration costs. The decrease was also partially offset by Other Revenue due to reclassification of unused prior year accruals as revenue.

Expenses

The Ministry of Human Resources and Employment incurred expenses totaling $1.0 billion for 2001-2002. Over $726 million was provided for programs such as Supports for Independence, Shelters for Homeless Adults, Alberta Widows' Pension, Child Health Benefits, and Assured Income for the Severely Handicapped. Another $261.0 million was invested in Training and Employment Support for various programs such as Skills Development Training, Employment Preparation, Employment Initiatives, and Labour Market Development benefits. Workplace Services incurred expenses of $18.8 million on programs and services such as Mediation, Issues Management, Employment Standards, and Regional Services. Supports to Dependent Adults incurred expenses of $5.9 million while $27.8 million, which is less than 3% of total expenditures, was used for Ministry Support Services. Due to lower accountable advances for both Supports for Independence and Assured Income for the Severely Handicapped programs, Valuation Adjustments was credited a total of $31.9 million dollars.

The Personnel Administration Office incurred expenses of $7.0 million and the Labour Relations Board spent $2.3 million on various programs and services.

Comparison of 2001-2002 Budget to Actual

In total, 2001-2002 operating expenditures were $39.5 million less than the original budget of $1.0 billion. The following comments provide a high level discussion of the significant expense variances of the Ministry's programs.

- When comparing the original 2001-2002 budget and actual results, the Ministry Support Services incurred an under-expenditure of $1.4 million. Delays in implementing the leadership development program and the hiring restraint initiative accounted for a total saving of $600,000. There were savings of $655,000 due to lower shared services costs from the Alberta Corporate Service Center and lower charges for amortization.

- Income Support to Individuals and Families had an overall under-expenditure of $25.5 million owing primarily to the Supports for Independence actual monthly average caseload of 27,009 being lower than the budgeted caseload of 27,900 cases. The Widows' Pension program had an under-expenditure of $621,000 as a result of a caseload difference from the budgeted 2,300 cases to 2,241 cases. Savings of $8.8 million resulted from the Assured Income for the Severely Handicapped program where average monthly caseloads of 28,586 cases were lower than the budgeted 28,690 cases and the cost per case of $953 was lower than the budgeted $976. These savings were partially offset by an increased pressure for shelters for homeless adults in Edmonton, Calgary and Lethbridge and by additional system development costs and increases due to salary settlements and reclassification.

- Reflecting Alberta's strong economy, Training and Employment Support under-spent by $13.1 million owing to decreased volume and lower contract activity in Labour Market Development Agreement programs. Skills Development Training Grants experienced a reduction of clients and lower average awards to students.

- Workplace Services had an over-expenditure of $0.9 million owing primarily to salary cost increases and increased investigative costs due to increased fatalities. Additional costs were also incurred for the worksite inspection tracking system.

- Labour Relations Adjudication incurred a $0.1 million over-expenditure owing primarily to salary increases resulting from Labour Relations Officer reclassifications, management reclassification and negotiated salary settlements.

- The Personnel Administration Office's $0.9 million under-expenditure was attributed primarily to staff vacancies owing to the hiring restraint initiative.

- Supports to Dependent Adults program over-spent by $0.3 million owing primarily to the Office of the Public Guardian increase in manpower and contract costs as a result of an increased number of cases.

Comparison of 2001-2002 Actual to 2000-2001 Actual

- Ministry Support Services expenses increased $3.3 million owing primarily to the implementation of the leadership development program, various research and evaluation projects and salary adjustments.

- Income Support to Individuals and Families expenses increased $42.8 million, owing primarily to an increase in monthly caseloads for Assured Income for the Severely Handicapped program from 26,700 to 28,586, as well as an increase in the average cost per case from $943 to $953. Also an increased demand for Shelters for Homeless Adults and provisions for fair compensation to agency staff resulted in an expenditure increase of $3.1 million. Due to accounting policy change, both Supports for Independence and Assured Income for the Severely Handicapped expenditures reported a one time benefit thirteenth month payment totalling $31.9 million. These increases in expenditures were partially offset by reduced caseload in the Supports for Independence program. The continued success of our welfare reforms resulted in a decrease in the average monthly caseload from 28,354 to 27,009.

- Training and Employment Support expenses decreased by $3.3 million, primarily due to Alberta's favorable economy resulting in a decline in Labour Market Development Agreement program activity and a decrease in the need for employment initiative programs.

- Workplace Services expenses increased by $3.1 million due to workplace health and safety legal costs, information technology costs, use of temporary Workplace Health and Safety officers and higher costs of informing Albertans about these services. The Workers' Compensation Board project office cost was a new initiative in 2001-2002.

Ministry of Alberta Human Resources and Employment

financial statements

for the year ended March 31, 2002

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AUDITOR GENERAL
Alberta

Auditor's Report

To the Members of the Legislative Assembly:

I have audited the statement of financial position of the Ministry of Human Resources and Employment as at March 31, 2002 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the management of the Ministry. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Ministry is required to follow the corporate government accounting policies and reporting practices established by Alberta Finance, including the following policy that is an exception from Canadian generally accepted accounting principles. Capital assets purchased with a cost of under $15,000 are expensed in the year acquired rather than being capitalized and amortized over their useful lives. Consequently, a significant amount of resources available to the Ministry has been recorded as if they have been consumed. In my opinion, capital assets purchased in the current year of approximately $4.3 million should be recognized as assets in the accompanying statement of financial position. The net effect of this understatement of assets is to overstate expenses for the year ended March 31, 2002 by $3.4 million. The cumulative effect of the application of this policy on the accompanying financial statements cannot reasonably be determined but is believed to be significant.

The Ministry administers two multi-employer Long Term Disability Income Continuance Plans on behalf of the Government of Alberta. The government's share of the accrued benefit liabilities for the two plans has not been recognized as a liability in the accompanying statement of financial position and related expenses have not been recognized in the statement of operations. The effect of this omission is disclosed in Note 11 to the accompanying financial statements.

In my opinion, except for the effects of the matters discussed in the preceding two paragraphs, these financial statements present fairly, in all material respects, the financial position of the Ministry of Human Resources and Employment as at March 31, 2002 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J. Dunn, CA
Auditor General

Edmonton, Alberta
May 23, 2002

Ministry of Human Resources and Employment
STATEMENT OF OPERATIONS
For the year ended March 31, 2002

(in thousands)

	2002		2001
	Budget	Actual	Actual
	(Schedule 4)		
Revenue (Schedules 1 and 2)			
Transfers from Government of Canada	$ 399,116	$ 442,978	$ 460,562
Fees, permits and licenses	270	264	283
Other	12,540	16,439	12,248
	411,926	459,681	473,093
Expenses – Directly Incurred (Note 2b and Schedule 8)			
Voted (Schedules 3 and 5)			
Ministry Support Services	29,188	27,785	24,486
Income Support to Individuals and Families	752,288	726,793	684,021
Training and Employment Support	274,156	261,004	264,226
Workplace Services	17,857	18,814	15,739
Labour Relations Adjudication	2,178	2,289	2,105
Personnel Administration Office	7,944	7,042	7,747
Support for Dependent Adults	5,568	5,916	5,419
	1,089,179	1,049,643	1,003,743
Statutory (Note 5 and Schedule 5)			
Valuation adjustments			
Provision (reduction in allowance) for doubtful accounts, vacation pay and repayable advances	(34,720)	(31,306)	3,001
	1,054,459	1,018,337	1,006,744
Loss on Disposal of Capital Assets	–	29	–
Net Operating Results – (Deficit for the year)	$ (642,533)	$ (558,685)	$ (533,651)

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
STATEMENT OF FINANCIAL POSITION
As at March 31, 2002

(in thousands)

	2002	2001
Assets		
Cash	$ 396	$ 1,547
Accounts Receivable (Note 3)	27,852	28,778
Advances (Note 4)	13,061	13,523
Capital Assets (Note 6)	9,354	7,502
	$ 50,663	$ 51,350
Liabilities		
Accounts Payable and Accrued Liabilities	$ 67,666	$ 50,524
Unamortized Deferred Capital Contribution (Note 7)	481	810
	68,147	51,334
Net assets (liabilities)		
Net assets at beginning of year (Note 2)	16	31,098
Net Operating Results – (Deficit for the year)	(558,685)	(533,651)
Transfer from General Revenues	541,185	502,569
Net assets (liabilities) at end of year	(17,484)	16
	$ 50,663	$ 51,350

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
STATEMENT OF CHANGES IN FINANCIAL POSITION
For the year ended March 31, 2002

(in thousands)

	2002	2001
Operating transactions:		
Net operating results – (Deficit for the year)	$ (558,685)	$ (533,651)
Non cash items included in net operating results		
Amortization	3,307	1,643
Loss on disposal of capital assets	29	–
Valuation adjustments	(31,306)	3,001
	(586,655)	(529,007)
Decrease in accounts receivable (a)	710	11,134
Increase (decrease) in advances (a)	32,361	(3,048)
Increase in accounts payable and accrued liabilities (a)	16,765	12,131
Increase (decrease) in unamortized deferred capital contribution	(329)	189
Decrease in unearned revenues	–	(1)
Cash used by operating transactions	(537,148)	(508,602)
Investing transactions:		
Purchase of capital assets (Schedule 5)	(5,086)	(930)
Net transfer of capital assets to (from) other ministries (Schedule 7)	(102)	2,866
Cash provided (used) by investing transactions	(5,188)	1,936
Financing transactions:		
Net Transfer from General Revenues	541,185	502,569
Net cash provided (used) during the year	(1,151)	(4,097)
Cash at beginning of year	1,547	5,644
Cash at end of year	$ 396	$ 1,547

(a) Changes adjusted for valuation adjustments (Note 5)

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
NOTES TO THE MINISTRY FINANCIAL STATEMENTS
For the Year Ended March 31, 2002

Note 1 Authority and Purpose

The Ministry of Human Resources and Employment operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

The Ministry of Human Resources and Employment contributes to the Alberta Advantage by working with partners to:

- Assist Albertans to reach their full potential in society and the economy,
- Foster safe, fair, productive and innovative workplaces,
- Support those in need.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by government for all Ministries. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

(a) **Reporting Entity**

The reporting entity is the Ministry of Human Resources and Employment, for which the Minister of Human Resources and Employment is accountable. The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance. All cash receipts of the Ministry are deposited into the Fund and all cash disbursements made by the Ministry are paid from the Fund. Net transfer from General Revenues is the difference between all cash receipts and all cash disbursements made.

(b) **Basis of Financial Reporting**

Revenues

All revenues are reported using the accrual method of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

Dedicated Revenue

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues must be shown as credits or recoveries in the details of the Government Estimates for a supply vote. If actual dedicated revenues are lower than budget and total voted expenses are not reduced by an amount sufficient to cover the deficiency in dedicated revenues, the following year's voted expenses are encumbered. If actual dedicated revenues exceed budget, the Ministry may, with the approval of the Treasury Board, use the excess revenue to fund additional expenses of the program. Schedule 2 discloses information on the Ministry's dedicated revenue initiatives.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

Expenses

Directly Incurred

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for, as reflected in the Government's budget documents.

Directly incurred expenses also include:

- amortization of capital assets
- pension costs which comprise the cost of employer contributions for current service of employees during the year
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.

Incurred by Others

Services contributed by other entities in support of the Ministry operations are disclosed in Schedule 8.

Assets

Financial assets of the Ministry are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. Capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other capital assets is $15,000.

Liabilities

Liabilities represent all financial claims payable by the Ministry at fiscal year end.

Net Assets (Liabilities)

Net assets (liabilities) represent the difference between the value of assets held by the Ministry and its liabilities.

Measurement Uncertainty

Measurement uncertainty exists when there is a significant variance between the amount recognized in the financial statements and another reasonably possible amount. Accounts Receivable (net), recorded as $27,852,000 in these financial statements, is subject to measurement uncertainty. The provision for bad debts, recorded as $60,678,000 in these financial statements is based on collecting a percentage of the Accounts Receivable balance at March 31, 2002. The actual amount collected could vary significantly from that estimated.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of accounts receivable, advances, accounts payable and accrued liabilities are estimated to approximate their book values.

Note 3 Accounts Receivable

(in thousands)

	2002			2001
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts receivable	$ 88,284	$ 60,678	$ 27,606	$ 28,606
Refunds from suppliers	246	–	246	172
	$ 88,530	$ 60,678	$ 27,852	$ 28,778

Accounts receivable are unsecured and non-interest bearing.

Note 4 Advances

(in thousands)

	2002			2001
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Travel advances	$ 49	$ –	$ 49	$ 66
Program advances	13,012	–	13,012	13,457
	$ 13,061	$ –	$ 13,061	$ 13,523

Travel advances are provided to Ministry employees to cover the cost of business travel. Program advances are used to administer program medical benefits for clients.

Note 5 Valuation Adjustments

(in thousands)

	2002	2001
Provision for doubtful accounts	$ 216	$ 2,194
Provision for vacation pay	377	10
Provision for advances	(31,899)	797
	$ (31,306)	$ 3,001

The provision of valuation adjustment for advances relates to a change in the amount of advances repayable from future appropriations. The provision for 2002 ($31,899) represents the repayment of a prior year advance for April 2001 Supports for Independence (SFI) and Assured Income for the Severely Handicapped (AISH) benefit payments. The voted budget for fiscal 2001-02 was increased by the estimated amount of the April 2002 SFI and AISH benefit payments resulting in a thirteenth month being expensed in the year. This one time action eliminated the need for an advance in the current and future years and is consistent with the reporting of other government grant programs.

Note 6 Capital Assets

(in thousands)

	Estimated Useful Life	2002 Cost	2002 Accumulated Amortization	2002 Net Book Value	2001 Net Book Value
Equipment [a]	3 – 5 Years	$ 641	$ 641	$ –	$ 84
Systems development and enhancements	5 – 7 Years	35,881	26,527	9,354	7,418
		$ 36,522	$ 27,168	$ 9,354	$ 7,502

(a) Equipment includes vehicles and information technology hardware.

Note 7 Unamortized Deferred Capital Contributions

Capital contributions were received from the Government of Canada under the Labour Market Development Agreement to acquire capital assets. Unamortized deferred capital contributions represent the externally funded portion of capital assets, which will be recognized as revenue in future years.

Note 8 Commitments

(in thousands)

At March 31, 2002, the Ministry had the following commitments:

	2002	2001
Service contracts	$ 11,124	$ 19,093

In addition to service contracts, the Ministry also leases certain vehicles under operating lease agreements that expire on various dates to 2008. It is the Ministry's intention to maintain fleet inventory at present levels. The aggregate amount payable for the unexpired terms of these leases is approximately $1,033 per annum and is not expected to vary significantly.

Note 9 Contingencies

At March 31, 2002, the Ministry is a defendant in nineteen legal claims (2001 – twelve legal claims). Seventeen of these claims have specified amounts totaling $12.0 million (2001 – $9.9 million) while the remaining two claims have not specified any amount. Included in the total legal claims are three claims amounting to $0.7 million in which the Ministry has been jointly named with another entity. Eleven claims amounting to $11.2 million are covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

Based on a preliminary review, Indian and Northern Affairs Canada has notified the Ministry of concerns in relation to the accuracy of past cost recovery claims. The amount of potential repayment as at March 31, 2002, if any, that may arise from a final review cannot be determined.

Note 10 Trust Funds Under Administration

(in thousands)

The Ministry administers trust funds, which are regulated funds, consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the Ministry's financial statements. As at March 31, 2002, trust funds under administration were as follows:

	2002			2001
	Total Assets	Total Liabilities	Net Assets (Liabilities)	Net Assets (Liabilities)
Long Term Disability Income Continuance Plans:				
Bargaining Unit *	$ 88,885	$ 97,531	$ (8,646)	$ (12,710)
Management, Opted Out and Excluded *	16,482	19,138	(2,656)	(4,583)
Government Employees' Group Extended Medical Benefits Plan Trust **	1,496	1,309	187	(662)
Government of Alberta Dental Plan Trust **	3,035	1,098	1,937	2,378
Employment Standards Trust Fund	152	–	152	162
Other Client Trusts	10	–	10	11
	$ 110,060	$ 119,076	$ (9,016)	$ (15,404)

* Financial statements of these trust funds can be found in the Supplementary Ministry Financial Information section of the Annual Report, page 95.

** These amounts relate to the year ending December 31, 2001 and December 31, 2000 respectively.

Note 11 Defined Benefit Plans

(in thousands)

The Ministry participates in the multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $5,594 for the year ending March 31, 2002 (2001 – $5,878).

At December 31, 2001, the Management Employees Pension Plan reported a surplus of $5,338 (2000 – $170,858) and the Public Service Pension Plan reported a surplus of $320,487 (2000 – $635,084). At December 31, 2001, the Supplementary Retirement Plan for Public Service Managers had a deficiency of $399 (2000 – surplus $180).

The Ministry also administers two multi-employer Long Term Disability Income Continuance Plans on behalf of the Government of Alberta. At March 31, 2002, the Bargaining Unit Plan reported an actuarial deficiency of $8,646 (2001 – $12,710) and the Management, Opted Out and Excluded Plan an actuarial deficiency of $2,656 (2001 – $4,583). The expense for these two plans is limited to employer's annual contributions for the year. Long term disability benefits are funded equally by the employer and employee in the Bargaining Unit Plan and by the employer in the Management, Opted Out and Excluded Plan.

The Government of Alberta's share of the total accrued benefit liability amounting to $2,886 (2001 – $914) has not been recognized in these financial statements. Had the liability been recognized and the Government of Alberta's share funded over the average expected period during which benefits would be paid for each of the plans, the income statement would reflect an expense of $1,972 (2001 – $(253)).

Note 12 Comparative Figures

Certain 2001 figures have been reclassified to conform to the 2002 presentation.

Note 13 Approval of Financial Statements

These financial statements were approved by the Deputy Minister, the Acting Public Service Commissioner, the Chair of the Labour Relations Board and the Senior Financial Officer.

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
SCHEDULE TO FINANCIAL STATEMENTS

Schedule 1

REVENUE
For the Year Ended March 31, 2002

(in thousands)

	2002		2001
	Budget	Actual	Actual
Transfers from the Government of Canada			
Canada Health and Social Transfer	$ 243,999	$ 284,748	$ 303,740
Labour Market Development Agreement Benefits	122,209	122,598	124,206
Services to On-Reserve Status Indians	10,858	13,289	10,273
Rehabilitation of Disabled Persons	22,000	22,343	22,343
Other	50	–	–
	399,116	442,978	460,562
Fees, Permits and Licences			
Various	270	264	283
Other Revenues			
Refunds of Previous Year Expenditure	5,500	9,039	5,128
Occupational Health and Safety Transfer	6,000	6,000	6,000
Other	1,040	1,400	1,120
	12,540	16,439	12,248
Total revenue	$ 411,926	$ 459,681	$ 473,093

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
SCHEDULE TO FINANCIAL STATEMENTS

Schedule 2

DEDICATED REVENUE INITIATIVES
For the Year Ended March 31, 2002

(in thousands)

	2002		
	Authorized Dedicated Revenues	Actual Dedicated Revenues	Excess
Expenses by Program			
Labour Market Development Agreement (a)			
Benefits and Measures	$ 112,819	$ 112,819	$ –
Program Support	9,390	9,450	60
Capital Purchases by Program			
Labour Market Development Agreement (a)			
Benefits and Measures	–	329	329
Total Dedicated Revenue	$ 122,209	$ 122,598	$ 389

The revenue and expense related to the dedicated revenue initiatives are included in the Ministry's revenue and expense in the statement of operations.

(a) Labour Market Development Agreement Benefits and Measures and Program Support dedicated revenue initiatives allow the program costs under the Labour Market Development Agreement to be fully offset with revenues collected from the Government of Canada.

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
SCHEDULE TO FINANCIAL STATEMENTS

Schedule 3

EXPENSE DIRECTLY INCURRED – DETAILED BY OBJECT
For the Year Ended March 31, 2002

(in thousands)

	2002		2001
	Budget	Actual	Actual
Voted Expenses			
Salaries, wages and employee benefits	$ 109,421	$ 108,889	$ 116,279
Supplies and services	155,696	151,833	157,578
Supplies and services from Support Service Arrangements with Related Parties (a)	1,900	1,840	1,500
Grants	821,014	785,000	747,255
Financial transactions and other	53	98	71
Amortization of capital assets	2,821	3,307	1,643
Total voted expenses before recoveries	1,090,905	1,050,967	1,024,326
Less Recovery from Support Service Arrangements with Related Parties (b)	(1,726)	(1,324)	(20,583)
Total voted expenses after recoveries	$ 1,089,179	$ 1,049,643	$ 1,003,743

(a) The Ministry receives financial and administrative support services from the Ministry of Learning.

(b) The Ministry provides human resources, information technology, financial and other administrative support services to the Ministries of Community Development and Children's Services. Costs incurred for these services are recovered from these ministries.

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
SCHEDULE TO FINANCIAL STATEMENTS

Schedule 4

BUDGET
For the Year Ended March 31, 2002

(in thousands)

	2001-2002 Estimates (a)	2001-2002 Authorized Budget
Revenue		
Transfer from the Government of Canada	$ 399,116	$ 399,116
Fees, Permits and Licences	270	270
Other Revenue	12,540	12,540
	411,926	411,926
Expenses – Directly Incurred		
Voted Expenses		
Ministry Support Services	29,188	29,188
Income Support to Individuals and Families	752,288	752,288
Training and Employment Support	274,156	274,156
Workplace Services	17,857	17,857
Labour Relations Adjudication	2,178	2,178
Personnel Administration Office	7,944	7,944
Supports to Dependent Adults	5,568	5,568
	1,089,179	1,089,179
Statutory Expenses		
Valuation adjustments		
Provisions for Doubtful Accounts, Vacation Pay and Repayable Advances	(34,720)	(34,720)
Total Expenses	1,054,459	1,054,459
Net Operating Results	$ (642,533)	$ (642,533)
Capital Investment	$ 3,598	$ 3,598

(a) Government and Lotteries Fund estimates were approved on May 31, 2001.

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
SCHEDULE TO FINANCIAL STATEMENTS

Schedule 5

COMPARISON OF EXPENSES – DIRECTLY INCURRED AND CAPITAL INVESTMENTS BY ELEMENT TO AUTHORIZED BUDGET
For the Year Ended March 31, 2002

(in thousands)

	2001-2002 Estimate	2001-2002 Authorized Budget	2001-2002 Actual (a)	Unexpended (Over Expended)
Voted Expenses and Capital Investments				
Program 1 – Ministry Support Services				
1.0.1 Minister's Office	$ 338	$ 338	$ 320	$ 18
1.0.2 Deputy Minister's Office	444	444	435	9
1.0.3 Strategic Services	2,110	2,110	1,993	117
1.0.4 Program Design	1,246	1,246	1,354	(108)
1.0.5 Workplace Relationships	447	447	449	(2)
1.0.6 Regional Delivery Services	1,770	1,770	1,947	(177)
1.0.7 Information Technology Management				
Operating Expense	7,014	7,014	6,872	142
Capital Investment	548	548	133	415
1.0.8 Human Resources	5,503	5,503	4,873	630
1.0.9 Finance Division				
Operating Expense	9,696	9,696	9,041	655
Capital Investment	–	–	105	(105)
1.0.10 Communications	620	620	501	119
	29,736	29,736	28,023	1,713
Program 2 – Income Support to Individuals and Families				
2.1.1 Program Support				
Operating Expense	29,178	29,178	27,693	1,485
Capital Investment	1,000	1,000	2,241	(1,241)
2.2.1 SFI Program Delivery	35,720	35,720	38,092	(2,372)
2.2.2 Family Maintenance	3,400	3,400	3,434	(34)
2.2.3 Supplement to Earnings	41,808	41,808	33,161	8,647
2.2.4 Temporary Support	75,815	75,815	70,777	5,038
2.2.5 Transitional Support	64,633	64,633	61,653	2,980
2.2.6 Assured Support	101,555	101,555	99,664	1,891
2.2.7 Shelters for Homeless Adults	12,870	12,870	14,332	(1,462)
2.3.1 Benefits for People not Expected to Work Program Delivery	6,577	6,577	6,654	(77)
2.3.2 Widows' Pension	8,500	8,500	7,879	621
2.3.3 Assured Income for the Severely Handicapped	355,266	355,266	346,511	8,755
2.4.1 Child Health Benefits	16,966	16,966	16,943	23
	753,288	753,288	729,034	24,254
Program 3 – Training and Employment Support				
3.1.1 Program Delivery Support				
Operating Expense	28,908	28,908	28,045	323
Capital Investment	1,950	1,950	1,670	280
3.2.1 Employment Preparation Programs	26,334	26,334	26,335	(1)
3.2.2 Skills Development Training Grants	108,000	108,000	101,636	6,364
3.2.3 Employment Initiatives				
Operating Expense	19,834	19,834	18,483	1,351
Capital Investment	100	100	–	100
3.2.4 Youth Connections	7,400	7,400	6,639	761
3.3.1 Labour Market Development Agreement Benefits and Measures	83,620	83,620	79,266	4,354
	276,206	276,206	262,674	13,532

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
SCHEDULE TO FINANCIAL STATEMENTS

Schedule 5

COMPARISON OF EXPENSES – DIRECTLY INCURRED AND CAPITAL INVESTMENTS BY ELEMENT TO AUTHORIZED BUDGET

continued

For the Year Ended March 31, 2002

(in thousands)

	2001-2002 Estimate	2001-2002 Authorized Budget	2001-2002 Actual (a)	Unexpended (Over Expended)
Program 4 – Workplace Services				
4.1.1 Workplace and Workforce Information				
Operating Expense	2,752	2,752	2,388	364
Capital Investment	–	–	173	(173)
4.1.2 Mediation	500	500	469	31
4.1.3 Workplace Relations and Facilitation	882	882	1,093	(211)
4.2.1 Program Management	320	320	395	(75)
4.2.2 Legislation, Policy and Technical Support				
Operating Expense	1,683	1,683	1,881	(198)
Capital Investment	–	–	386	(386)
4.2.3 Partnerships	717	717	804	(87)
4.2.4 Regional Services	6,079	6,079	6,824	(745)
4.3.1 Program Management	226	226	191	35
4.3.2 Legislation, Policy and Technical Support				
Operating Expense	1,289	1,289	1,321	(32)
Capital Investment	–	–	378	(378)
4.3.3 Regional Services	3,409	3,409	3,448	(39)
	17,857	17,857	19,751	(1,894)
Program 5 – Labour Relations Adjudication and Regulation				
5.1.1 Labour Relations Board	2,178	2,178	2,289	(111)
	2,178	2,178	2,289	(111)
Program 6 – Personnel Administration Office				
6.1.1 Public Service Commissioner's Office	445	445	335	110
6.1.2 Corporate Human Resource Services	4,882	4,882	4,644	238
6.1.3 Information Management Services	1,867	1,867	1,457	410
6.2.1 Research and Development	750	750	606	144
	7,944	7,944	7,042	902
Program 7 – Supports to Dependent Adults				
7.0.1 Office of the Public Guardian	3,959	3,959	4,239	(280)
7.0.2 Support to Dependent Adult Agencies	1,489	1,489	1,564	(75)
7.0.3 Dependent Adult Appeals	120	120	113	7
	5,568	5,568	5,916	(348)
Total Voted Expenses and Capital Investments	$ 1,092,777	$ 1,092,777	$ 1,054,729	$ 38,048
Program Operating Expense	1,089,179	1,089,179	1,049,643	39,536
Program Capital Investment	3,598	3,598	5,086	(1,488)
	$ 1,092,777	$ 1,092,777	$ 1,054,729	$ 38,048
Statutory Expenses				
Valuation Adjustments	34,720	34,720	31,306	3,414
Total Statutory Expenses	$ 34,720	$ 34,720	$ 31,306	$ 3,414

(a) Includes achievement bonuses of $843

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
SALARY AND BENEFITS DISCLOSURE
DEPARTMENT OF HUMAN RESOURCES AND EMPLOYMENT
For the Year Ended March 31, 2002

Schedule 6(a)

	2002			2001
	Salary [1]	Benefits and Allowances [2]	Total	Total
Senior Official				
Deputy Minister [3]	$ 157,576	$ 49,410	$ 206,986	$ 205,737
Executives				
Assistant Deputy Ministers				
Regional Delivery Services – People & Workplace [4]	113,061	36,787	149,848	139,568
Program Design	121,542	32,210	153,752	148,467
Strategic Services [5]	113,108	27,342	140,450	79,278
Senior Financial Officer [4]	102,695	29,630	132,325	125,659
Chief Information Officer [4]	119,042	40,571	159,613	122,717
Executive Director – Workplace Relationships	104,444	3,834	108,278	94,575
Executive Director – Human Resources [4]	122,832	34,669	157,501	155,767

Prepared in accordance with Treasury Board Directive 12/98.

Total salaries and benefits relating to a position are disclosed.

(1) Salary includes regular base pay, bonuses and lump sum payments.

(2) Benefits and allowances include the government's share of all employee benefits and contributions made on behalf of employees including pension, health care, dental coverage, group life insurance, short and long-term disability plans, WCB premiums, professional memberships and tuition fees.

(3) Automobile provided, no dollar amount included in benefits and allowances figures.

(4) Benefits and allowances include vacation payments to the Assistant Deputy Minister, Regional Delivery Services – People & Workplace $8,481 (2001 – $NIL), Senior Financial Officer $6,658 (2001 – $5,794), Chief Information Officer $17,270 (2001 – $NIL) and Executive Director of Human Resources $28,574 (2001 – $NIL).

(5) This position was vacant between June 1 and October 23, 2000.

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
SALARY AND BENEFITS DISCLOSURE
PERSONNEL ADMINISTRATION OFFICE

Schedule 6(b)

For the Year Ended March 31, 2002

	2002			2001
	Salary [1]	Benefits and Allowances [2]	Total	Total
Senior Official				
Acting Public Service Commissioner [3]	$ 154,942	$ 41,578	$ 196,520	$ 185,929
Executives				
Acting Executive Director – Human Resource Policy and Consulting [4]	94,051	17,733	111,784	136,567
Executive Director – Client Relations & Information Management [5]	–	–	–	115,730
Executive Director – Corporate Human Resource Development [5] [6]	83,712	17,639	101,351	–
Manager, Information Management [5]	102,574	15,766	118,340	–
Executive Search Manager	81,782	14,430	96,212	94,183
Manager – Human Resources and Public Service Commissioner's Office	67,700	11,761	79,461	75,765

Prepared in accordance with Treasury Board Directive 12/98.

Total salaries and benefits relating to a position are disclosed.

(1) Salary includes regular base pay, bonuses and lump sum payments.

(2) Benefits and allowances include the government's share of all employee benefits and contributions made on behalf of employees including pension, health care, dental coverage, group life insurance, short and long-term disability plans, WCB premiums, professional memberships and tuition fees.

(3) Salary includes pay in lieu of provision of an automobile.

(4) This position was occupied for 11 months of the year.

(5) This position was divided into two new positions: Executive Director – Corporate Human Resource Development and Manager, Information Management.

(6) This position was occupied by three individuals through the year.

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
SALARY AND BENEFITS DISCLOSURE
LABOUR RELATIONS BOARD

Schedule 6(c)

For the Year Ended March 31, 2002

	2002			2001
	Salary [1]	Benefits and Allowances [2]	Total	Total
Senior Official				
Chair [3] [4]	$ 165,029	$ 6,741	$ 171,770	$ 168,861
Executives				
Vice Chair [4] [5]	130,495	7,205	137,700	120,320
Vice Chair	108,294	25,032	133,326	130,424
Executive Director [6] [7]	95,222	18,293	113,515	108,522
Director of Administration	64,094	11,198	75,292	67,250
Board Members [8]	174,332	–	174,332	221,543

Prepared in accordance with Treasury Board Directive 12/98.

Total salaries and benefits relating to a position are disclosed.

(1) Salary includes regular base pay, bonuses and lump sum payments.

(2) Benefits and allowances include the government's share of all employee benefits and contributions made on behalf of employees including pension, health care, dental coverage, group life insurance, short and long-term disability plans, WCB premiums, professional memberships and tuition fees.

(3) Automobile provided, no dollar amount included in benefits and allowances figures.

(4) Salary includes pay in lieu of benefits.

(5) This position was occupied by two individuals consecutively during the year.

(6) The position title changed from Director of Settlement to Executive Director.

(7) Benefits and allowances include vacation payments of $NIL (2001 – $3,143) to the Executive Director.

(8) Salary is the honoraria paid to Board Members from April 1, 2001 to March 31, 2002.

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
RELATED PARTY TRANSACTIONS

Schedule 7

For the Year Ended March 31, 2002
(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licenses, and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Ministry had the following transactions with related parties recorded on the Statement of Operations at the amount of consideration agreed upon between the related parties:

	2002	2001
Expenses – Directly Incurred		
Other services	$ 20,095	$ 2,625
Capital Assets Transferred	102	(2,866)
	$ 20,197	$ (241)

The above transactions do not include support service arrangement transactions disclosed in Schedule 3.

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not included in the financial statements and are disclosed in Schedule 8.

	2002	2001
Expenses – Incurred by Others		
Accommodation	$ 16,241	$ 15,445
Legal services	621	561
	$ 16,862	$ 16,006

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
SCHEDULE TO FINANCIAL STATEMENTS

Schedule 8

ALLOCATED COSTS
For the Year Ended March 31, 2002

(in thousands)

Program	Directly Incurred Expenses (1)	2001 Expenses – Incurred by Others: Accommodation Costs (2)	2001 Expenses – Incurred by Others: Legal Services (3)	2001 Valuation Adjustments (4): Doubtful Accounts (5)	2001 Valuation Adjustments (4): Vacation Pay (6)	2001 Valuation Adjustments (4): Other (7)	2002 Total Expenses	2001 Total Expenses
Ministry Support Services	$ 27,785	$ 1,624	$ 105	$	$ (115)	$	$ 29,399	$ 26,629
Income Support to Individuals and Families	726,793	7,969	267	216	432	(31,899)	703,778	694,956
Training and Employment Support	261,004	4,194	4		(186)		265,016	267,514
Workplace Services	18,814	1,064	53		135		20,066	16,953
Labour Relations Adjudication	2,289	71	52		43		2,455	2,170
Personnel Administration Office	7,042	620	48		5		7,715	8,494
Support for Dependent Adults	5,916	699	92		63		6,770	6,045
	$ 1,049,643	$ 16,241	$ 621	$ 216	$ 377	$ (31,899)	$ 1,035,199	$ 1,022,761

Notes:

(1) Expenses as per Statement of Operations excluding valuation adjustments.

(2) Costs shown for Accommodation in Schedule 7 have been allocated as follows:

- Where buildings accommodate staff for one program, costs are allocated to the specific program.
- Where buildings accommodate staff for two programs, costs are allocated equally between programs.
- Buildings which accommodate multi-programs, costs are allocated based on the ratio of staff employed in each program.

(3) Costs shown for Legal Services in Schedule 7 have been allocated based on hours of work performed.

(4) Valuation adjustments as per Statement of Operations.

(5) Provision for doubtful accounts have been allocated based on actual provision relating to the program.

(6) Provision for vacation pay has been allocated based on actual liability recorded.

(7) Other relates to a repayment of an accountable advance relating to the program.

Supplementary Ministry Financial Information

March 31, 2002

Contents

- Ministry Expenses by Core Business
- Statement of Remissions, Compromises and Write-Offs
- Long Term Disability Income Continuance Fund – Bargaining Unit Financial Statements
- Long Term Disability Income Continuance Fund – Management, Opted Out and Excluded Financial Statements

Ministry of Human Resources and Employment

MINISTRY EXPENSES BY CORE BUSINESS

For the year ended March 31, 2002

($ thousands)

	2001-2002		2000-2001
	Budget	Actual	Actual
Core Business			
Careers and Workplace Information	$ 29,247	$ 28,896	$ 27,779
Employment Services	287,583	275,806	285,920
Workplace Relationships	15,264	16,382	14,541
Income Support to Individuals and Families	712,243	687,922	668,653
Human Resource Management	7,944	7,042	7,747
Labour Relations Adjudications	942	984	905
Labour Mediations	1,236	1,305	1,200
Ministry Expense	$ 1,054,459	$ 1,018,337	$ 1,006,744

Un-audited information as per Finance 2002 Ministry Annual Report Standards.

Ministry of Human Resources and Employment

STATEMENT OF REMISSIONS, COMPROMISES AND WRITE-OFFS

For the year ended March 31, 2002

The following statement has been prepared pursuant to section 28 of the *Financial Administration Act*. The statement includes all remissions, compromises and write-offs of the Ministry of Human Resources and Employment made or approved during the fiscal year.

	($ thousands)
Remissions under section 26 of the *Financial Administration Act*:	$ –
Compromises under section 27 of the *Financial Administration Act*:	
Supports for Independence and Assured Income for the Severely Handicapped Program	3
Write-offs:	
Accounts Receivable	
Supports for Independence and Assured Income for the Severely Handicapped Program	899
Widows' Pension Program	31
Miscellaneous	11
	941
	$ 944

Un-audited information as per Finance 2002 Ministry Annual Report Standards.

Long Term Disability Income Continuance Plan – Bargaining Unit

Financial Statements

March 31, 2002

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AUDITOR GENERAL
Alberta

Auditor's Report

To the Minister Responsible for the Personnel Administration Office

I have audited the statement of net assets available for benefits and accrued long term disability benefits of the Long Term Disability Income Continuance Plan – Bargaining Unit as at March 31, 2002 and the statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the net assets available for benefits and accrued long term disability benefits of the Plan as at March 31, 2002 and the changes in its net assets available for benefits for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J. Dunn, CA
Auditor General

Edmonton, Alberta
June 19, 2002

LONG TERM DISABILITY INCOME CONTINUANCE PLAN – BARGAINING UNIT

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS AND ACCRUED LONG TERM DISABILITY BENEFITS

As at March 31, 2002

	($ thousands)	
	2002	**2001**
Net assets available for benefits		
Assets		
Investments (Note 3)	$ 88,670	$ 89,873
Accounts receivable	215	846
	88,885	90,719
Liabilities		
Accounts payable and accrued liabilities	715	2,266
Net assets available for benefits	88,170	88,453
Accrued long term disability benefits (Note 6)	(96,816)	(101,163)
Actuarial deficiency (Note 6)	$ (8,646)	$ (12,710)

The accompanying notes and schedules are part of these financial statements.

LONG TERM DISABILITY INCOME CONTINUANCE PLAN – BARGAINING UNIT

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the year ended March 31, 2002

	($ thousands)	
	2002	**2001**
Increase in assets		
Contributions:		
Employers	$ 8,825	$ 8,149
Employees	8,825	8,149
Net investment income (Note 7)	2,392	–
	20,042	16,298
Decrease in assets		
Benefits	16,649	17,614
Severance	1,506	1,061
Adjudication	1,363	1,151
Rehabilitation	542	581
Net investment loss (Note 7)	–	6,423
Administration expenses (Note 8)	265	247
	20,325	27,077
(Decrease) in net assets	(283)	(10,779)
Net assets available for benefits at beginning of year	88,453	99,232
Net assets available for benefits at end of year	$ 88,170	$ 88,453

The accompanying notes and schedules are part of these financial statements.

LONG TERM DISABILITY INCOME CONTINUANCE PLAN – BARGAINING UNIT

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2002

Note 1 Summary Description of the Plan

The following description of the Long Term Disability Income Continuance Plan (the Plan) for bargaining unit employees is a summary only. For a complete description of the Plan, reference should be made to section 21 of the *Public Service Act*, the Long Term Disability Income Continuance Plan Regulation, section 98 of the *Financial Administration Act* and Treasury Board Directive 08/98, as amended.

(a) General

The Plan provides disability benefits and insures income continuance of eligible Government of Alberta employees included in an Alberta Union of Provincial Employees' (AUPE) bargaining unit. Management and employees opted out and excluded from an AUPE bargaining unit are covered under a separate Plan.

(b) Funding

Long term disability benefits are funded equally by employer and employee contributions at rates which are expected to provide for all benefits payable under the Plan. The rates in effect at March 31, 2002 were unchanged at 1.55% of insurable salary for employers and 1.55% for employees. The rates are to be reviewed at least once every three years by the Public Service Commissioner based on recommendations of the Plan's actuary.

On March 30, 1998, the Government of Alberta provided a one-time contribution of $88,589,000 to the Plan, representing the Plan's accrued long term disability benefits as at December 31, 1997 as determined by the Plan's actuary. Any deficiencies incurred by the Plan are funded by increasing employer and employee contributions.

(c) Long Term Disability Benefits

Benefits are payable when eligible plan members become disabled for 80 consecutive normal workdays as the result of bodily injury or illness, as determined by the Plan's adjudicator. Plan members are eligible for coverage after completion of three consecutive months of service without absence in a permanent position, or a full year in a temporary position. The Plan provides for benefits equalling to 70% of members' pre-disability salary. The maximum benefit payable is $3,000 per month for each member. Reduced benefits are payable to eligible members who receive compensation from the Workers' Compensation Board or the Crimes Compensation Board, or benefits under the Canada Pension Plan or any other group disability plan, or vacation leave pay or employment income under a rehabilitation program. At year-end a contingent gain may exist relating to plan members who applied for Canada Pension Plan benefits, but who have not yet been approved. If approved, an amount equal to the monthly Canada Pension Plan benefit times the number of months the person has been receiving benefits, will be recovered.

No benefit is payable if the disability is the result of injuries suffered from participation in a criminal act or an act of war, or injury or illness which are self-inflicted intentionally. Disabled members who are not under the continuous care of a physician or who are confined in prisons are not eligible for benefits.

Benefits terminate upon the earliest of the date the member resigns or is gainfully employed or is no longer disabled, three months after the adjudicator declares the member is suitable for gainful employment, or the date the member attains age 65 and is eligible for an unreduced public service pension. Benefits also terminate when a member's earnings under a rehabilitation program are the same as his pre-disability salary or after 24 months where the member is in a temporary position.

(d) Decrease in Net Assets

Expenses of the Plan include benefits paid out, severance payments for resignation of employment subsequent to disability leave, rehabilitation expenses, adjudication fees and administrative costs. Adjudication fees include services performed by an independent agent in determining the eligibility of claims, the amounts of eligible benefits and the time period applicable for disability.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

(a) Basis of Presentation

These financial statements are prepared on the going concern basis in accordance with Canadian generally accepted accounting principles. The statements provide information about the net assets available in the Plan to meet future benefit payments and are prepared to assist Plan members and others in reviewing the activities of the Plan for the year.

Plan investments are held in pooled investment funds administered by Alberta Revenue. Pooled investment funds have a market-based unit value that is used to allocate income to pool participants and to value purchases and sales of pool units.

The Plan's percentage ownership in pooled investment funds at March 31, 2002 was as follows:

	% Ownership	
	2002	2001
Internally Managed Pooled Investment Funds		
Canadian Dollar Public Bond Pool	0.32	0.37
Canadian Pooled Equities Fund	0.38	0.35
Domestic Passive Equity Pooled Fund	0.31	0.36
EAFE Structured Equity Pooled Fund	0.01	0.01
Private Mortgage Pool	0.38	0.45
Private Real Estate Pool	0.28	0.07
Floating Rate Note Pool	–	0.01
Externally Managed Pooled Investment Funds		
Canadian Large Cap Equity Pool	0.13	0.19
Canadian Small Cap Equity Pool	0.02	0.28
EAFE Core Equity Pool	0.30	0.40
EAFE Passive Equity Pool	0.44	0.47
EAFE Plus Equity Pool	0.29	0.46
US Large Cap Equity Pool	0.29	0.38
US Passive Equity Pooled Fund	0.54	0.70
US Mid/Small Cap Equity Pool	0.24	0.30

(b) Valuation of Assets and Liabilities

Investments are stated at fair value. The methods used to determine fair value of investments held by pooled investment funds are explained in the following paragraphs:

Short-term securities, public fixed income securities and equities are valued at the year-end closing sale price or the average of the latest bid and ask prices quoted by an independent securities valuation company.

Private fixed income securities and mortgages are valued based on the net present value of future cash flows. These cash flows are discounted using Government of Canada bond rates adjusted for a risk premium estimated by management.

Real estate investments are reported at their most recent appraised value net of any liabilities against the real property. Real estate properties are appraised annually by qualified external real estate appraisers.

The fair values of deposits, receivables, accrued investment income and payables are estimated to approximate their book values.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(c) Income Recognition

Dividends are accrued on the ex-dividend date. Income from other investments is accrued as earned. Gains or losses on investments are recognized concurrently with changes in fair value.

(d) Foreign Exchange

Foreign currency transactions are translated into Canadian dollars using average rates of exchange, except for hedged foreign currency transactions which are translated at rates of exchange established by the terms of the forward exchange contracts. At year-end, the fair value of investments and any other assets and liabilities denominated in a foreign currency are translated at the year-end exchange rate. Exchange differences are included in the determination of investment income or loss.

(e) Valuation of Derivative Contracts

Derivative contracts (see Note 5) include equity and bond index swaps, interest rate swaps, forward foreign exchange contracts, equity index futures contracts and cross-currency interest rate swaps. The value of derivative contracts is included in the fair value of pooled investment funds. The estimated amount receivable or payable from derivative contracts at the reporting date is determined by the following methods:

Equity and bond index swaps are valued based on changes in the appropriate market based index net of accrued floating rate interest.

Interest rate swaps are valued based on discounted cash flows using current market yields.

Forward foreign exchange contracts and equity index futures contracts are based on quoted market prices.

The value of cross-currency interest rate swaps is included with the value of the underlying security. Cross-currency fixed to fixed interest rate swaps are valued at quoted prices based on discounted cash flows using current market yields. Cross-currency fixed to floating interest rate swaps are valued at the principal amount plus accrued interest.

Income and expense from derivative contracts are accrued as earned and included in investment income or loss. Gains and losses on forward foreign exchange contracts are recognized concurrently with changes in fair value.

Note 3 Investments (Schedules 1 to 4)

	2002		2001	
	($ thousands)	%	($ thousands)	%
Fixed Income Securities (Schedule 1)				
Deposit in the Consolidated Cash Investment Trust Fund (a)	$ 1,494	1.7	$ 813	0.9
Canadian Dollar Public Bond Pool (b)	28,769	32.5	30,997	34.5
Private Mortgage Pool (c)	3,404	3.8	3,981	4.4
Floating Rate Note Pool	–	–	109	0.1
Total fixed income securities	33,667	38.0	35,900	39.9
Canadian Equities (Schedule 2)				
Domestic Passive Equity Pooled Fund (d)	8,123	9.2	7,266	8.1
Canadian Pooled Equities Fund (e)	7,627	8.6	7,578	8.4
External Managers				
Canadian Large Cap Equity Pool (f)	2,723	3.1	2,054	2.3
Canadian Small Cap Equity Pool (f)	90	0.1	1,336	1.5
	18,563	21.0	18,234	20.3
United States Equities (Schedule 3)				
External Managers				
US Passive Equity Pool (g)	7,793	8.8	9,137	10.2
US Large Cap Equity Pool (h)	6,882	7.7	7,027	7.8
US Mid/Small Cap Equity Pool (h)	971	1.1	830	0.9
	15,646	17.6	16,994	18.9
Non-North American Equities (Schedule 4)				
External Managers				
EAFE Core Equity Pool (i)	8,191	9.2	7,958	8.9
EAFE Plus Equity Pool (i)	4,047	4.6	4,175	4.7
EAFE Passive Equity Pool (j)	3,904	4.4	5,597	6.2
EAFE Structured Equity Pooled Fund (j)	19	–	20	–
	16,161	18.2	17,750	19.8
Real Estate				
Private Real Estate Pool (k)	4,633	5.2	995	1.1
Total equities and real estate	55,003	62.0	53,973	60.1
Total Investments	$ 88,670	100.0	$ 89,873	100.0

(a) The Consolidated Cash Investment Trust Fund is managed with the objective of providing competitive interest income to depositors while maintaining maximum security and liquidity of depositors' capital. The portfolio is comprised of high quality short-term and mid-term fixed income securities with a maximum term to maturity of five years.

(b) The Canadian Dollar Public Bond Pool is managed with the objective of providing competitive returns comparable to the total return of the Scotia Capital Universe Bond Index over a four-year period while maintaining adequate security and liquidity of participants' capital. The portfolio is comprised of high quality Canadian fixed income instruments and debt related derivatives. Competitive returns are achieved through management of the portfolio duration and sector rotation.

(c) The Private Mortgage Pool is managed with the objective of providing investment returns higher than the Scotia Capital Universe Bond Index over the long term. The portfolio is comprised primarily of high-quality commercial mortgage loans and provincial bond residuals. In order to reduce risk, the Pool only invests in loans insured by a federal agency and first-mortgage loans that provide diversification by property usage.

Note 3 Investments (Schedules 1 to 4) (continued)

(d) The Domestic Passive Equity Pooled Fund is managed on a passive approach with the objective of providing investment returns comparable to the Toronto Stock Exchange (TSE) 300 Index. The portfolio is comprised of both publicly traded Canadian equities and structured investments replicating the TSE 300 Index.

(e) The Canadian Pooled Equities Fund is managed with the objective of providing returns higher than the total return of the TSE 300 Index while maintaining preservation of participants' capital. The portfolio is comprised of publicly traded equities in Canadian corporations. Risk is reduced by prudent security selection and sector rotation.

(f) The External Managers Canadian Large Cap and Small Cap Equity Pools consist of multiple portfolios of publicly traded Canadian equities. Each portfolio is actively managed by an external manager with expertise in the Canadian large cap or small cap equity markets. The Canadian Small Cap Pool is restricted to invest in publicly traded Canadian equities with a market capitalization of up to 0.15% of the TSE 300 Index total market capitalization at time of purchase. The performance objective is to provide investment returns higher than the total return of the TSE 300 Index over a four-year period. Return volatility is reduced through multiple manager investment style and unique market capitalization focus.

(g) The External Managers US Passive Equity Pool consists of publicly traded United States equities similar in weights to the Standard & Poor's S & P 500 Index. The Pool is passively managed by an external manager with expertise in the US equity market. The performance objective is to provide investment returns comparable to the total return of the S & P 500 Index over a four-year period.

(h) The External Managers US Large Cap Equity Pool consists of multiple portfolios and the External Managers US Mid/Small Cap Equity Pool consists of a single portfolio of publicly traded United States equities. Each portfolio is actively managed by an external manager with expertise in the US large cap or mid/small cap equity markets. The performance objective is to provide returns higher than the total return of the S & P 500 Index for the US Large Cap Pool and the Russell 2500 Index for the US Mid/Small Cap Pool over a four-year period. Return volatility is reduced through multiple manager investment style and unique market capitalization focus.

(i) The External Managers EAFE Core and Plus Equity Pools consist of multiple portfolios of publicly traded non-North American equities. Each core portfolio is actively managed by an external manager and has constraints on foreign currency management and deviations from the Morgan Stanley Capital International (MSCI) Europe, Australia and Far East (EAFE) Index asset mix by country. The EAFE Plus portfolios are actively managed by external managers with less constraints on country allocation, stock selection, currency management and investments in emerging markets. The performance objective is to provide investment returns higher than the total return of the MSCI EAFE Index over a four-year period. Return volatility is reduced through multiple manager investment style and market diversification.

(j) The performance objective of the External Managers EAFE Passive Equity Pool and the EAFE Structured Equity Pooled Fund is to provide returns comparable to the total return of the MSCI EAFE index over a four-year period. The External Managers EAFE Passive Equity Pool consists of a single portfolio of non-North American publicly traded equities similar in weights to the MSCI EAFE index. The EAFE Structured Equity Pooled Fund is internally managed and provides exposure to foreign markets in Europe, Australia and the Far East through the use of structured investments such as foreign equity index swaps. The Pooled Fund also invests in the Floating Rate Note Pool to generate the floating rate cash flows needed for its equity swap obligations.

(k) The Private Real Estate Pool is managed with the objective of providing investment returns comparable to the Russell Canadian Property Index over the long term. Real estate is held through intermediate companies, which have issued to the Pool common shares and participating debentures secured by a charge on real estate. Risk is reduced by investing in properties that provide diversification by geographic location, by property type and by tenancy. The Pool is intended to provide diversification from the securities market.

Note 4 Investment Risk Management

Fair values of investments are exposed to credit risk and price risk. Credit risk relates to the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Price risk is comprised of currency risk, interest rate risk and market risk. Currency risk relates to the possibility that the investments will change in value due to future fluctuations in foreign exchange rates. Interest rate risk relates to the possibility that the investments will change in value due to future fluctuations in market interest rates. Market risk relates to the possibility that the investments will change in value due to future fluctuations in market prices.

Actuarial liabilities of the Plan are primarily affected by the long-term real rate of return on investments. In order to earn the best possible return at an acceptable level of risk, the Public Service Commissioner has established a policy asset mix of 40% fixed income instruments and 60% equities. Investment risk is reduced through asset class diversification, diversification within each asset class, quality constraints on fixed income instruments and restrictions on amounts exposed to countries designated as emerging markets. Controls are in place respecting the use of derivatives (see Note 5). Forward foreign exchange contracts are used to manage currency exposure in connection with securities purchased in foreign currency (see Note 5).

Note 5 Derivative Contracts

Derivative contracts are financial contracts, the value of which is derived from the value of underlying assets, indices, interest rates or currency rates. The Plan uses derivative contracts held indirectly through pooled investment funds to enhance return, manage exposure to interest and foreign currency risks, and for asset mix management purposes. The notional value of a derivative contract represents the amount to which a rate or price is applied in order to calculate the exchange of cash flows.

A swap is a contractual agreement between two counter-parties to exchange a series of cash flows based on a notional amount. An equity or bond index swap involves the exchange of a floating interest rate cash flow for one based on the performance of a market index. For interest rate swaps, parties generally exchange fixed and floating rate interest cash flows based on a notional amount. Cross-currency interest rate swaps are contractual obligations in which the principal amounts of Canadian fixed-income securities denominated in foreign currency are exchanged for Canadian currency amounts both initially and at maturity. Over the term of the cross-currency swap, counter-parties exchange fixed to fixed and fixed to floating interest rate cash flows in the swapped currencies. There are underlying securities supporting all swaps. Leveraging is not allowed.

Foreign exchange contracts are agreements to exchange specified currencies at an agreed upon exchange rate and on an agreed settlement date in the future.

Stock futures contracts are agreements to receive or pay cash on an agreed settlement date based on changes in the level of a specified stock index in the future.

The following is a summary of the Plan's proportionate share of the notional amount and fair value of derivative contracts held by pooled funds at March 31, 2002:

	Maturity			2002		2001	
	Under 1 Year	1 to 3 Years	Over 3 Years	Notional Amount	Net Fair Value (a)	Notional Amount	Net Fair Value (a)
	%			($ thousands)			
Equity index swap contracts	87	13	–	$ 3,792	$ 58	$ 3,628	$ (350)
Bond index swap contracts	100	–	–	486	(4)	1,986	(10)
Interest rate swap contracts	32	66	2	1,781	(66)	1,326	(50)
Forward foreign exchange contracts	100	–	–	2,136	2	2,589	(6)
Equity index futures contracts	–	–	–	–	–	13	–
				8,195	$ (10)	9,542	$ (416)
Cross-currency interest rate swap contracts (b)	31	16	53	3,065		4,294	
				$ 11,260		$ 13,836	

(a) The method of determining fair value of derivative contracts is described in Note 2 (e).

(b) Cross-currency interest rate swaps are valued as a package, which include underlying securities. As at March 31, 2002, the combined value of cross-currency interest rate swaps and underlying securities amounted to $3,056,000 (2001 $4,327,000).

The notional amounts, upon which payments are based, are not indicative of the credit risk associated with derivative contracts. Current credit exposure is represented by the current replacement cost of all outstanding contracts in a favourable position (positive fair value). The Plan attempts to limit its credit exposure by dealing with counter-parties believed to have good credit standing.

Note 6 Accrued Long Term Disability Benefits

(a) Actuarial Valuation

An actuarial valuation of the Plan was carried out as at March 31, 2002 by Johnson Incorporated. The 2002 valuation resulted in an actuarial deficiency of $8.6 million as disclosed in the statement of net assets available for benefits and accrued long term disability benefits.

The accrued long term disability benefits as at March 31, 2002 was determined using the projected benefit method based on estimates of the Plan's Disabled Life Reserve and the Incurred But Unreported Reserve. The assumptions used in the valuation were developed as the best estimate of expected short and long term market conditions and other future events. These estimates were, after consultation with the Plan's actuary, adopted by the Public Service Commissioner. The major assumptions used were:

	2002 Valuation	2001 Valuation
	%	
Interest discount rate	7.5	7.5
Continuance rates		
Based on 1984 Commissioner's Group Disability Table	Modified*	Modified*
Incurred but unreported reserve factor		
As percentage of premiums	35	37

* The rates have been modified by both age and duration to reflect adjudication practices respecting disability definition specific to this plan.

The Disabled Life Reserve is an estimate of the value of future payments to be made over the life of incurred claims, discounted to a current value using a rate of 7.5%.

The Incurred But Unreported Reserve is an estimate of the value of the financial impact of claims that are either unreported or not approved at the fiscal year end, but which will ultimately be accepted for benefits. Based on a review of historical reserves, the actuary determined a reserve factor of 35% of premiums was appropriate for estimating the reserve amount.

The following statement shows the principal components of the change in the value of accrued long term disability benefits.

	($ thousands)	
	2002	2001
Accrued long term disability benefits at beginning of year	$ 101,163	$ 96,592
Interest accrued on benefits	7,587	7,245
Change in actuarial assumption of incurred but unreported reserve factor	(371)	–
Net experience gains	(8,670)	(3,214)
New claims	14,759	15,065
Terminations	(17,652)	(14,525)
Accrued long term disability benefits at end of year	$ 96,816	$ 101,163

Note 6 Accrued Long Term Disability Benefits (continued)

(b) Sensitivity of Changes in Major Assumptions

The Plan's future experience will inevitably differ, perhaps significantly, from the assumptions. Any differences between the actuarial assumptions and future experience will emerge as gains or losses in future valuations and will affect the financial position of the Plan.

As at March 31, 2002, holding the continuance rates and incurred but unreported reserve factor constant, a 1% decrease in the assumed interest discount rate would result in the actuarial deficiency of the Plan increasing by $4.8 million.

Note 7 Net Investment Income (Loss)

(a) Net investment income (loss) is compromised of the following:

	($ thousands)	
	2002	**2001**
Interest income	2,255	3,035
Dividend income	1,201	547
Real Estate income	247	12
Securities lending income	19	12
Derivative income (loss)	18	(1,111)
Net realized and unrealized losses on investments	$ (1,255)	$ (8,827)
Pooled funds management and associated custodial fees	(93)	(91)
	$ 2,392	$ (6,423)

(b) The following is a summary of the Plan's proportionate share of net investment income (loss) by type of investments:

	($ thousands)	
	2002	**2001**
Deposits and Fixed Income Securities	$ 1,895	$ 3,744
Canadian Equities	818	(3,769)
Foreign Equities		
United States	147	(2,265)
Non-North American	(765)	(4,147)
Real Estate	297	14
	$ 2,392	$ (6,423)

(c) The Plan uses the time-weighted rate of return based on market values to measure performance. The measure involves the calculation of the return realized by the Plan over a specified period and is a measure of the total proceeds received from an investment dollar initially invested. Total proceeds include cash distributions (interest and dividend payments) and capital gains or losses (realized and unrealized).

The time-weighted rate of return measures the compounded rate of growth of the initial investment over the specified period. It is designed to eliminate the effect that the size and timing of cash flows have on the internal rate of return. The investment industry uses time-weighted rates of return calculated using market values when comparing the returns of funds with other funds or indices.

Note 7 Net Investment Income (Loss) (continued)

Investment returns for the Plan for the one-year and three-year periods ended March 31, 2002 are as follows:

	One Year Return			3 Year Compound Annualized Return
	2002	2001	2000	
	%			
Time-weighted rates of return				
Short-term fixed income	4.0	5.9	5.7	5.2
Scotia Capital 91-Day T-Bill Index	3.7	5.7	4.7	4.7
Long-term fixed income	5.9	9.5	1.3	5.5
Scotia Capital Universe Bond Index	5.1	8.7	1.3	5.0
Canadian equities	4.0	(16.2)	40.2	6.9
Toronto Stock Exchange 300 Index	4.9	(18.6)	45.5	7.5
United States equities	1.3	(14.3)	13.3	(0.6)
Standard & Poor's 500 Index	1.6	(15.0)	13.2	(0.8)
Non-North American equities	(5.5)	(23.7)	38.5	(0.1)
MSCI EAFE Index	(7.3)	(19.6)	20.1	(3.6)
Real Estate	7.5	n/a	n/a	n/a
Russell Canadian Property Index*	9.0	n/a	n/a	n/a
Overall	2.7	(6.6)	19.8	4.7
Policy Benchmark	2.7	(6.3)	17.0	4.2

* The benchmark Russell Canadian Property Index excludes various capital and operating expenditures which are deducted in the determination of the actual return.

Note 8 Administration Expenses

	($ thousands)	
	2002	2001
General administration costs	$ 112	$ 109
Investment management fees and other services	96	140
Bad debts (recovery)	57	(2)
	$ 265	$ 247

Investment management costs were paid to Alberta Revenue and do not include custodial and pooled fund management fees, which have been deducted in arriving at investment income (see Note 7(a)).

Accommodation and certain administration costs, including salaries, benefits and telecommunication services incurred on behalf of the Plan by the Government of Alberta have not been included in the Plan's expenses. These costs are recorded by the Government of Alberta and are not recovered from the Plan.

Note 9 Budget Information

The accrued long-term disability benefits are based on the Public Service Commissioner's best estimates of future events after consultation with the Plan's actuary. Differences between actual results and the Commissioner's expectations are disclosed in Note 6 as experience gains and losses in the table of changes in the value of accrued long term disability benefits. Accordingly, a budget is not included in these financial statements.

Note 10 Contingent Liabilities

As at March 31, 2002, the Province was named as defendant in two (2001 three) legal actions relating to long term disability benefits claims. The total claimed in one (2001 three) of these specific legal actions amounted to approximately $471,000 (2001 $671,000) while the remaining claim has not specified any amount. The resulting loss, if any, from these claims and other potential claims cannot be determined.

Note 11 Comparative Figures

Comparative figures have been reclassified to be consistent with 2002 presentation.

Note 12 Approval of Financial Statements

These financial statements were prepared by management and approved by the Acting Public Service Commissioner.

LONG TERM DISABILITY INCOME CONTINUANCE PLAN – BARGAINING UNIT

SCHEDULE OF INVESTMENTS IN FIXED INCOME SECURITIES

March 31, 2002

	($ thousands)	
	Plan's Share	
	2002	2001
Deposits and short-term securities	$ 1,830	$ 1,459
Fixed Income Securities (a)		
Public		
Government of Canada, direct and guaranteed	8,107	7,614
Provincial		
Alberta, direct and guaranteed	90	111
Other, direct and guaranteed	5,166	7,158
Municipal	426	459
Corporate, Public and Private	17,750	18,890
	31,539	34,232
Receivable from sale of investments and accrued investment income	690	678
Liabilities for investment purchases	(392)	(469)
	298	209
	$ 33,667	$ 35,900

(a) Fixed income securities held as at March 31, 2002 had an average effective market yield of 5.93% per annum (2001: 5.91% per annum). The following term structure of these securities as at March 31, 2002 is based on principal amount.

	2002	2001
	%	
Under 1 year	7	5
1 to 5 years	32	35
6 to 10 years	30	28
11 to 20 years	12	16
Over 20 years	19	16
	100	100

LONG TERM DISABILITY INCOME CONTINUANCE PLAN – BARGAINING UNIT

SCHEDULE OF INVESTMENTS IN CANADIAN EQUITIES

March 31, 2002

	($ thousands)	
	Plan's Share	
	2002	2001
Deposits and short-term securities	$ 243	$ 220
Public Equities (a) (b)		
Communications and media	874	840
Conglomerates	288	818
Consumer products	829	903
Financial services	5,336	4,373
Gold and precious minerals	789	460
Industrial products	3,059	4,428
Merchandising	725	460
Metals and minerals	994	692
Oil and gas	2,376	2,458
Paper and forest products	425	459
Pipelines	343	348
Real estate and construction	148	159
Transportation and environmental services	594	222
Utilities	1,185	1,240
	17,965	17,860
Passive index	251	424
	18,216	18,284
Receivable from sale of investments and accrued investment income	160	198
Liabilities for investment purchases	(56)	(468)
	104	(270)
	$ 18,563	$ 18,234

(a) The Plan's net investment in Canadian public equities includes the fair value of deposits and floating rate notes, totalling $3,775,000 (2001 $3,606,000), which are used as underlying securities to support the notional amount of Canadian equity index swap contracts.

(b) The industrial classifications are those used by the Toronto Stock Exchange indices.

LONG TERM DISABILITY INCOME CONTINUANCE PLAN – BARGAINING UNIT

SCHEDULE OF INVESTMENTS IN UNITED STATES EQUITIES

March 31, 2002

	($ thousands) Plan's Share	
	2002	2001
Deposits and short-term securities	$ 102	$ 143
Public Equities (a)		
Consumer discretionary	2,152	2,079
Consumer staples	1,517	1,311
Energy	1,103	1,210
Financial	2,797	3,061
Health care	1,949	2,105
Industrials	1,750	1,633
Information technology	2,499	2,345
Materials	543	438
Telecommunications	564	1,103
Utilities	590	877
	15,464	16,162
Passive index	2	–
	15,466	16,162
Receivable from sale of investments and accrued investment income	149	754
Liabilities for investment purchases	(71)	(65)
	78	689
	$ 15,646	$ 16,994

(a) The industrial classifications are those used by the Standard & Poor's indices.

LONG TERM DISABILITY INCOME CONTINUANCE PLAN – BARGAINING UNIT

SCHEDULE OF INVESTMENTS IN NON-NORTH AMERICAN EQUITIES

March 31, 2002

	($ thousands)	
	Plan's Share	
	2002	2001
Deposits and short-term securities	$ 253	$ 287
Public Equities (a)		
Country		
United Kingdom	3,985	3,774
Japan	2,743	3,744
France	1,786	1,731
Switzerland	1,291	1,069
Netherlands	1,284	1,222
Germany	1,056	1,465
Australia	650	510
Italy	534	739
Hong Kong	456	577
Spain	419	674
Finland	304	306
Sweden	271	548
Other	1,145	1,086
	15,924	17,445
Receivable from sale of investments and accrued investment income	275	360
Liabilities for investment purchases	(291)	(342)
	(16)	18
	$ 16,161	$ 17,750

(a) The Plan's net investment in Non-North American public equities includes the fair value of deposits and floating rate notes, totalling $17,000 (2001 $22,000), which are used as underlying securities to support the notional amount of Non-North American equity index swap contracts.

Long Term Disability Income Continuance Plan – Management, Opted Out and Excluded

Financial Statements

March 31, 2002

- Auditor's Report
- Statement of Net Assets Available for Benefits and Accrued Long Term Disability Benefits
- Statement of Changes in Net Assets Available for Benefits
- Notes to the Financial Statements
- Schedule of Investments in Fixed Income Securities
- Schedule of Investments in Canadian Equities
- Schedule of Investments in United States Equities
- Schedule of Investment in Non-North American Equities

AUDITOR GENERAL
Alberta

Auditor's Report

To the Minister Responsible for the Personnel Administration Office

I have audited the statement of net assets available for benefits and accrued long term disability benefits of the Long Term Disability Income Continuance Plan – Management, Opted Out and Excluded as at March 31, 2002 and the statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the net assets available for benefits and accrued long term disability benefits of the Plan as at March 31, 2002 and the changes in its net assets available for benefits for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J. Dunn, CA
Auditor General

Edmonton, Alberta
June 19, 2002

LONG TERM DISABILITY INCOME CONTINUANCE PLAN – MANAGEMENT, OPTED OUT AND EXCLUDED

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS AND ACCRUED LONG TERM DISABILITY BENEFITS

As at March 31, 2002

	($ thousands)	
	2002	**2001**
Net assets available for benefits		
Assets		
Investments (Note 3)	$ 16,439	$ 15,070
Accounts receivable	43	150
	16,482	15,220
Liabilities		
Accounts payable and accrued liabilities	114	275
Net assets available for benefits	16,368	14,945
Accrued long term disability benefits (Note 6)	(19,024)	(19,528)
Actuarial deficiency (Note 6)	$ (2,656)	$ (4,583)

The accompanying notes and schedules are part of these financial statements.

LONG TERM DISABILITY INCOME CONTINUANCE PLAN – MANAGEMENT, OPTED OUT AND EXCLUDED

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the year ended March 31, 2002

	($ thousands)	
	2002	**2001**
Increase in assets		
Employer contributions	$ 5,195	$ 3,841
Net investment income (Note 7)	409	–
	5,604	3,841
Decrease in assets		
Benefits	3,540	3,490
Severance	401	518
Adjudication	138	74
Rehabilitation	27	21
Net investment loss (Note 7)	–	1,082
Administration expenses (Note 8)	75	22
	4,181	5,207
Increase (Decrease) in net assets	1,423	(1,366)
Net assets available for benefits at beginning of year	14,945	16,311
Net assets available for benefits at end of year	$ 16,368	$ 14,945

The accompanying notes and schedules are part of these financial statements.

LONG TERM DISABILITY INCOME CONTINUANCE PLAN – MANAGEMENT, OPTED OUT AND EXCLUDED

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2002

Note 1 Summary Description of the Plan

The following description of the Long Term Disability Income Continuance Plan (the Plan) for management, opted out and excluded employees is a summary only. For a complete description of the Plan, reference should be made to section 21 of the *Public Service Act*, the Long Term Disability Income Continuance Plan Regulation, the Long Term Disability Benefits Regulation (*Legislative Assembly Act*), section 98 of the *Financial Administration Act* and Treasury Board Directive 09/98, as amended.

(a) General

The Plan provides disability benefits and insures income continuance of eligible Government of Alberta management, opted out and excluded employees, members of the Legislative Assembly and Provincial Judges. Employees included in an Alberta Union of Provincial Employee's bargaining unit are covered under a separate Plan.

(b) Funding

Long term disability benefits are funded by employer and Government contributions at a rate which is expected to provide for all benefits payable under the Plan. The rate in effect at March 31, 2002 was 1.7% (2001: 1.4%) of insurable salary for employer and Government. The rate is to be reviewed at least once every three years by the Public Service Commissioner based on recommendations of the Plan's actuary.

On March 30, 1998, the Government of Alberta provided a one-time contribution of $13,698,000 to the Plan, representing the Plan's accrued long term disability benefits as at December 31, 1997 as determined by the Plan's actuary. Any deficiencies incurred by the Plan are to be funded by increasing employer contributions.

(c) Long Term Disability Benefits

Benefits are payable when eligible plan members become disabled for 80 consecutive normal workdays as the result of bodily injury or illness, as determined by the Plan's adjudicator. Plan members are eligible for coverage after completion of three consecutive months of service without absence in a permanent position, or a full year in a temporary position. The Plan provides for benefits equalling to 70% of members' pre-disability salary. Reduced benefits are payable to eligible members who receive compensation from the Workers' Compensation Board or the Crimes Compensation Board, or benefits under the Canada Pension Plan or any other group disability plan, or vacation leave pay or employment income under a rehabilitation program. At year-end a contingent gain may exist relating to plan members who applied for Canada Pension Plan benefits, but who have not yet been approved. If approved, an amount equal to the monthly Canada Pension Plan benefit times the number of months the person has been receiving benefits, will be recovered.

No benefit is payable if the disability is the result of injuries suffered from participation in a criminal act or an act of war, or injury or illness which are self-inflicted intentionally. Disabled members who are not under the continuous care of a physician or who are confined in prisons are not eligible for benefits.

Benefits terminate upon the earliest of the date the member resigns or is gainfully employed or is no longer disabled, three months after the adjudicator declares the member is suitable for gainful employment, or the date the member attains age 65 and is eligible for an unreduced public service pension. Benefits also terminate when a member's earnings under a rehabilitation program are the same as his pre-disability salary or after 24 months where the member is in a temporary position.

(d) Decrease in Net Assets

Expenses of the Plan include benefits paid out, severance payments for resignation of employment subsequent to disability leave, rehabilitation expenses, adjudication fees and administrative costs. Adjudication fees include services performed by an independent agent in determining the eligibility of claims, the amounts of eligible benefits and the time period applicable for disability.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

(a) Basis of Presentation

These financial statements are prepared on the going concern basis in accordance with Canadian generally accepted accounting principles. The statements provide information about the net assets available in the Plan to meet future benefit payments and are prepared to assist Plan members and others in reviewing the activities of the Plan for the year.

Plan investments are held in pooled investment funds administered by Alberta Revenue. Pooled investment funds have a market-based unit value that is used to allocate income to pool participants and to value purchases and sales of pool units.

The Plan's percentage ownership in pooled investment funds at March 31, 2002 was as follows:

	% Ownership	
	2002	**2001**
Internally Managed Pooled Investment Funds		
Canadian Dollar Public Bond Pool	0.06	0.06
Canadian Pooled Equities Fund	0.07	0.06
Domestic Passive Equity Pooled Fund	0.06	0.06
EAFE Structured Equity Pooled Fund	0.001	0.001
Private Mortgage Pool	0.07	0.07
Private Real Estate Pool	0.05	0.01
Floating Rate Note Pool	–	0.001
Externally Managed Pooled Investment Funds		
Canadian Large Cap Equity Pool	0.02	0.04
Canadian Small Cap Equity Pool	0.006	0.008
EAFE Core Equity Pool	0.05	0.07
EAFE Passive Equity Pool	0.08	0.08
EAFE Plus Equity Pool	0.05	0.07
US Large Cap Equity Pool	0.05	0.06
US Passive Equity Pooled Fund	0.10	0.11
US Mid/Small Cap Equity Pool	0.05	0.06

(b) Valuation of Assets and Liabilities

Investments are stated at fair value. The methods used to determine fair value of investments held by pooled investment funds are explained in the following paragraphs:

Short-term securities, public fixed income securities and equities are valued at the year-end closing sale price or the average of the latest bid and ask prices quoted by an independent securities valuation company.

Private fixed income securities and mortgages are valued based on the net present value of future cash flows. These cash flows are discounted using Government of Canada bond rates adjusted for a risk premium estimated by management.

Real estate investments are reported at their most recent appraised value net of any liabilities against the real property. Real estate properties are appraised annually by qualified external real estate appraisers.

The fair values of deposits, receivables, accrued investment income and payables are estimated to approximate their book values.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(c) Income Recognition

Dividends are accrued on the ex-dividend date. Income from other investments is accrued as earned. Gains or losses on investments are recognized concurrently with changes in fair value.

(d) Foreign Exchange

Foreign currency transactions are translated into Canadian dollars using average rates of exchange except for hedged foreign currency transactions, which are translated at rates of exchange established by the terms of the forward exchange contracts. At the year-end, the fair value of investments and any other assets and liabilities denominated in a foreign currency are translated at the year-end exchange rate. Exchange differences are included in the determination of investment income or loss.

(e) Valuation of Derivative Contracts

Derivative contracts (see Note 5) include equity and bond index swaps, interest rate swaps, forward foreign exchange contracts, equity index futures contracts and cross-currency interest rate swaps. The value of derivative contracts is included in the fair value of pooled investment funds. The estimated amount receivable or payable from derivative contracts at the reporting date is determined by the following methods:

Equity and bond index swaps are valued based on changes in the appropriate market based index net of accrued floating rate interest.

Interest rate swaps are valued based on discounted cash flows using current market yields.

Forward foreign exchange contracts and equity index futures contracts are based on quoted market prices.

The value of cross-currency interest rate swaps is included with the value of the underlying security. Cross-currency fixed to fixed interest rate swaps are valued at quoted prices based on discounted cash flows using current market yields. Cross-currency fixed to floating interest rate swaps are valued at the principal amount plus accrued interest.

Income and expense from derivative contracts are accrued as earned and included in investment income or loss. Gains and losses on forward foreign exchange contracts are recognized concurrently with changes in fair value.

Note 3 Investments (Schedules 1 to 4)

	2002		2001	
	($ thousands)	%	($ thousands)	%
Fixed Income Securities (Schedule 1)				
Deposit in the Consolidated Cash Investment Trust Fund (a)	$ 618	3.7	$ 292	1.9
Canadian Dollar Public Bond Pool (b)	5,242	31.9	5,195	34.5
Private Mortgage Pool (c)	620	3.8	668	4.4
Floating Rate Note Pool	–	–	27	0.2
Total fixed income securities	6,480	39.4	6,182	41.0
Canadian Equities (Schedule 2)				
Domestic Passive Equity Pooled Fund (d)	1,471	9.0	1,212	8.0
Canadian Pooled Equities Fund (e)	1,365	8.3	1,305	8.7
External Managers				
Canadian Large Cap Equity Pool (f)	481	2.9	417	2.8
Canadian Small Cap Equity Pool (f)	28	0.2	36	0.2
	3,345	20.4	2,970	19.7
United States Equities (Schedule 3)				
External Managers				
US Passive Equity Pool (g)	1,461	8.9	1,489	9.9
US Large Cap Equity Pool (h)	1,256	7.7	1,162	7.7
US Mid/Small Cap Equity Pool (h)	188	1.1	159	1.1
	2,905	17.7	2,810	18.7
Non-North American Equities (Schedule 4)				
External Managers				
EAFE Core Equity Pool (i)	1,466	8.9	1,331	8.8
EAFE Plus Equity Pool (i)	729	4.4	631	4.2
EAFE Passive Equity Pool (j)	720	4.4	960	6.4
EAFE Structured Equity Pooled Fund (j)	3	–	3	–
	2,918	17.7	2,925	19.4
Real Estate				
Private Real Estate Pool (k)	791	4.8	183	1.2
Total equities and real estate	9,959	60.6	8,888	59.0
Total Investments	$ 16,439	100.0	$ 15,070	100.0

(a) The Consolidated Cash Investment Trust Fund is managed with the objective of providing competitive interest income to depositors while maintaining maximum security and liquidity of depositors' capital. The portfolio is comprised of high quality short-term and mid-term fixed income securities with a maximum term to maturity of five years.

(b) The Canadian Dollar Public Bond Pool is managed with the objective of providing competitive returns comparable to the total return of the Scotia Capital Universe Bond Index over a four-year period while maintaining adequate security and liquidity of participants' capital. The portfolio is comprised of high quality Canadian fixed income instruments and debt related derivatives. Competitive returns are achieved through management of the portfolio duration and sector rotation.

(c) The Private Mortgage Pool is managed with the objective of providing investment returns higher than the Scotia Capital Universe Bond Index over the long term. The portfolio is comprised primarily of high-quality commercial mortgage loans and provincial bond residuals. In order to reduce risk, the Pool only invests in loans insured by a federal agency and first-mortgage loans that provide diversification by property usage.

Note 3 Investments (Schedules 1 to 4) (continued)

(d) The Domestic Passive Equity Pooled Fund is managed on a passive approach with the objective of providing investment returns comparable to the Toronto Stock Exchange (TSE) 300 Index. The portfolio is comprised of both publicly traded Canadian equities and structured investments replicating the TSE 300 Index.

(e) The Canadian Pooled Equities Fund is managed with the objective of providing returns higher than the total return of the TSE 300 Index while maintaining preservation of participants' capital. The portfolio is comprised of publicly traded equities in Canadian corporations. Risk is reduced by prudent security selection and sector rotation.

(f) The External Managers Canadian Large Cap and Small Cap Equity Pools consist of multiple portfolios of publicly traded Canadian equities. Each portfolio is actively managed by an external manager with expertise in the Canadian large cap or small cap equity markets. The Canadian Small Cap Pool is restricted to invest in publicly traded Canadian equities with a market capitalization of up to 0.15% of the TSE 300 Index total market capitalization at time of purchase. The performance objective is to provide investment returns higher than the total return of the TSE 300 Index over a four-year period. Return volatility is reduced through multiple manager investment style and unique market capitalization focus.

(g) The External Managers US Passive Equity Pool consists of publicly traded United States equities similar in weights to the Standard & Poor's (S & P) 500 Index. The Pool is passively managed by an external manager with expertise in the US equity market. The performance objective is to provide investment returns comparable to the total return of the S & P 500 Index over a four-year period.

(h) The External Managers US Large Cap Equity Pool consists of multiple portfolios and the External Managers US Mid/Small Cap Equity Pool consists of a single portfolio of publicly traded United States equities. Each portfolio is actively managed by an external manager with expertise in the US large cap or mid/small cap equity markets. The performance objective is to provide returns higher than the total return of the S & P 500 Index for the US Large Cap Pool and the Russell 2500 Index for the US Mid/Small Cap Pool over a four-year period. Return volatility is reduced through multiple manager investment style and unique market capitalization focus.

(i) The External Managers EAFE Core and Plus Equity Pools consist of multiple portfolios of publicly traded Non-North American equities. Each core portfolio is actively managed by an external manager and has constraints on foreign currency management and deviations from the Morgan Stanley Capital International (MSCI) Europe, Australia and Far East (EAFE) Index asset mix by country. The EAFE Plus portfolios are actively managed by external managers with less constraints on country allocation, stock selection, currency management and investments in emerging markets. The performance objective is to provide investment returns higher than the total return of the MSCI EAFE Index over a four-year period. Return volatility is reduced through multiple manager investment style and market diversification.

(j) The performance objective of the External Managers EAFE Passive Equity Pool and the EAFE Structured Equity Pooled Fund is to provide returns comparable to the total return of the MSCI EAFE index over a four-year period. The External Managers EAFE Passive Equity Pool consists of a single portfolio of Non-North American publicly traded equities similar in weights to the MSCI EAFE index. The EAFE Structured Equity Pooled Fund is internally managed and provides exposure to foreign markets in Europe, Australia and the Far East through the use of structured investments such as foreign equity index swaps. The Pooled Fund also invests in the Floating Rate Note Pool to generate the floating rate cash flows needed for its equity swap obligations.

(k) The Private Real Estate Pool is managed with the objective of providing investment returns comparable to the Russell Canadian Property Index over the long term. Real estate is held through intermediate companies, which have issued to the Pool common shares and participating debentures secured by a charge on real estate. Risk is reduced by investing in properties that provide diversification by geographic location, by property type and by tenancy. The Pool is intended to provide diversification from the securities market.

Note 4 Investment Risk Management

Fair values of investments are exposed to credit risk and price risk. Credit risk relates to the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Price risk is comprised of currency risk, interest rate risk and market risk. Currency risk relates to the possibility that the investments will change in value due to future fluctuations in foreign exchange rates. Interest rate risk relates to the possibility that the investments will change in value due to future fluctuations in market interest rates. Market risk relates to the possibility that the investments will change in value due to future fluctuations in market prices.

Actuarial liabilities of the Plan are primarily affected by the long term real rate of return on investments. In order to earn the best possible return at an acceptable level of risk, the Public Service Commissioner has established a policy asset mix of 40% fixed income instruments and 60% equities. Investment risk is reduced through asset class diversification, diversification within each asset class, quality constraints on fixed income instruments and restrictions on amounts exposed to countries designated as emerging markets. Controls are in place respecting the use of derivatives (see Note 5). Forward foreign exchange contracts are used to manage currency exposure in connection with securities purchased in foreign currency (see Note 5).

Note 5 Derivative Contracts

Derivative contracts are financial contracts, the value of which is derived from the value of underlying assets, indices, interest rates or currency rates. The Plan uses derivative contracts held indirectly through pooled investment funds to enhance return, manage exposure to interest and foreign currency risks, and for asset mix management purposes. The notional value of a derivative contract represents the amount to which a rate or price is applied in order to calculate the exchange of cash flows.

A swap is a contractual agreement between two counter-parties to exchange a series of cash flows based on a notional amount. An equity or bond index swap involves the exchange of a floating interest rate cash flow for one based on the performance of a market index. For interest rate swaps, parties generally exchange fixed and floating rate interest cash flows based on a notional amount. Cross-currency interest rate swaps are contractual obligations in which the principal amounts of Canadian fixed-income securities denominated in foreign currency are exchanged for Canadian currency amounts both initially and at maturity. Over the term of the cross-currency swap, counter-parties exchange fixed to fixed and fixed to floating interest rate cash flows in the swapped currencies. There are underlying securities supporting all swaps. Leveraging is not allowed.

Foreign exchange contracts are agreements to exchange specified currencies at an agreed upon exchange rate and on an agreed settlement date in the future.

Stock futures contracts are agreements to receive or pay cash on an agreed settlement date based on changes in the level of a specified stock index in the future.

The following is a summary of the Plan's proportionate share of the notional amount and fair value of derivative contracts held by pooled funds at March 31, 2002:

	Maturity			2002		2001	
	Under 1 Year	1 to 3 Years	Over 3 Years	Notional Amount	Net Fair Value (a)	Notional Amount	Net Fair Value (a)
	%			($ thousands)			
Equity index swap contracts	87	13	–	$ 687	$ 10	$ 605	$ (58)
Bond index swap contracts	100	–	–	88	(1)	333	(2)
Interest rate swap contracts	32	66	2	323	(12)	223	(8)
Forward foreign exchange contracts	100	–	–	383	–	419	(1)
Equity index futures contracts	–	–	–	–	–	2	–
				1,481	$ (3)	1,582	$ (69)
Cross-currency interest rate swap contracts (b)	31	16	53	557		722	
				$ 2,038		$ 2,304	

(a) The method of determining fair value of derivative contracts is described in Note 2 (e).

(b) Cross-currency interest rate swaps are valued as a package, which include underlying securities. As at March 31, 2002, the combined value of cross-currency interest rate swaps and underlying securities amounted to $555,000 (2001 $728,000).

The notional amounts, upon which payments are based, are not indicative of the credit risk associated with derivative contracts. Current credit exposure is represented by the current replacement cost of all outstanding contracts in a favourable position (positive fair value). The Plan attempts to limit its credit exposure by dealing with counter-parties believed to have good credit standing.

Note 6 Accrued Long Term Disability Benefits

(a) Actuarial Valuation

An actuarial valuation of the Plan was carried out as at March 31, 2002 by Johnson Incorporated. The 2002 valuation resulted in an actuarial deficiency of $2.7 million as disclosed in the statement of net assets available for benefits and accrued long term disability benefits.

The accrued long term disability benefits as at March 31, 2002 was determined using the projected benefit method based on estimates of the Plan's Disabled Life Reserve and the Incurred But Unreported Reserve. The assumptions used in the valuation were developed as the best estimate of expected short and long term market conditions and other future events. These estimates were, after consultation with the Plan's actuary, adopted by the Public Service Commissioner. The major assumptions used were:

	2002 Valuation	2001 Valuation
	%	
Interest discount rate	7.5	7.5
Continuance rates		
Based on 1984 Commissioner's Group Disability Table	Modified*	Modified*
Incurred but unreported reserve factor		
As percentage of premiums	40	40

* The rates have been modified by both age and duration to reflect adjudication practices respecting disability definition specific to this plan.

The Disabled Life Reserve is an estimate of the value of future payments to be made over the life of incurred claims, discounted to a current value using a rate of 7.5%.

The Incurred But Unreported Reserve is an estimate of the value of the financial impact of claims that are either unreported or not approved at the fiscal year end, but which will ultimately be accepted for benefits. Based on a review of historical reserves, the actuary determined a reserve factor of 40% of premiums was appropriate for estimating the reserve amount.

The following statement shows the principal components of the change in the value of accrued long term disability benefits:

	($ thousands)	
	2002	2001
Accrued long term disability benefits at beginning of year	$ 19,528	$ 17,111
Interest accrued on benefits	1,465	1,283
Change in actuarial assumption of incurred but unreported reserve factor	–	330
Net experience (gains) losses	594	1,259
New claims	5,069	4,260
Terminations	(5,632)	(4,715)
Accrued long term disability benefits at end of year	$ 19,024	$ 19,528

Note 6 Accrued Long Term Disability Benefits (continued)

(b) Sensitivity of Changes in Major Assumptions

The Plan's future experience will inevitably differ, perhaps significantly, from the assumptions. Any differences between the actuarial assumptions and future experience will emerge as gains or losses in future valuations and will affect the financial position of the Plan.

As at March 31, 2002, holding the continuance rates and incurred but unreported reserve factor constant, a 1% decrease in the assumed interest discount rate would result in the actuarial deficiency of the Plan increasing by $0.8 million.

Note 7 Net Investment Income (Loss)

(a) Net investment income (loss) is comprised of the following:

	($ thousands)	
	2002	**2001**
Interest income	402	506
Dividend income	212	91
Real Estate income	42	2
Derivative income (loss)	7	(191)
Securities lending income	3	2
Net realized and unrealized losses on investments	$ (241)	$ (1,477)
Pooled funds management and associated custodial fees	(16)	(15)
	$ 409	$ (1,082)

(b) The following is a summary of the Plan's proportionate share of net investment income (loss) by type of investments:

	($ thousands)	
	2002	**2001**
Deposits and Fixed Income Securities	$ 330	$ 625
Canadian Equities	118	(660)
Foreign Equities		
United States	33	(376)
Non-North American	(123)	(674)
Real Estate	51	3
	$ 409	$ (1,082)

(c) The Plan uses the time-weighted rate of return based on market values to measure performance. The measure involves the calculation of the return realized by the Plan over a specified period and is a measure of the total proceeds received from an investment dollar initially invested. Total proceeds include cash distributions (interest and dividend payments) and capital gains or losses (realized and unrealized).

The time-weighted rate of return measures the compounded rate of growth of the initial investment over the specified period. It is designed to eliminate the effect that the size and timing of cash flows have on the internal rate of return. The investment industry uses time-weighted rates of return calculated using market values when comparing the returns of funds with other funds or indices.

Note 7 Net Investment Income (Loss) (continued)

Investment returns for the Plan for the one-year and three-year periods ended March 31, 2002 are as follows:

	One Year Return			3 Year Compound Annualized Return
	2002	2001	2000	
Time-weighted rates of return				
Short-term fixed income	4.1	5.9	6.7	5.5
Scotia Capital 91-Day T-Bill Index	3.7	5.7	4.7	4.7
Long-term fixed income	5.9	9.5	1.3	5.5
Scotia Capital Universe Bond Index	5.1	8.7	1.3	5.0
Canadian equities	3.5	(16.7)	39.9	6.4
Toronto Stock Exchange 300 Index	4.9	(18.6)	45.5	7.5
United States equities	1.4	(14.4)	13.1	(0.6)
Standard & Poor's 500 Index	1.6	(15.0)	13.2	(0.8)
Non-North American equities	(5.5)	(23.5)	39.0	0.2
MSCI EAFE Index	(7.3)	(19.6)	20.1	(3.6)
Real Estate	7.5	n/a	n/a	n/a
Russell Canadian Property Index*	9.0	n/a	n/a	n/a
Overall	2.5	(6.6)	19.6	4.6
Policy Benchmark	2.7	(6.3)	17.6	4.2

* The benchmark Russell Canadian Property Index excludes various capital and operating expenditures which are deducted in the determination of the actual return.

Note 8 Administration Expenses

	($ thousands)	
	2002	2001
General administration costs	$ 20	$ 20
Investment management fees and other services	49	34
Other	6	(32)
	$ 75	$ 22

Investment management costs were paid to Alberta Revenue and do not include custodial and pooled fund management fees, which have been deducted in arriving at investment income or loss (see Note 7(a)).

Accommodation and certain administration costs, including salaries, benefits and telecommunication services incurred on behalf of the Plan by the Government of Alberta have not been included in the Plan's expenses. These costs are recorded by the Government of Alberta and are not recovered from the Plan.

Note 9 Budget Information

The accrued long term disability benefits are based on the Public Service Commissioner's best estimates of future events after consultation with the Plan's actuary. Differences between actual results and the Commissioner's expectations are disclosed in Note 6 as experience gains and losses in the table of changes in the value of accrued long term disability benefits. Accordingly, a budget is not included in these financial statements.

Note 10 Comparative Figures

Comparative figures have been reclassified to be consistent with 2002 presentation.

Note 11 Approval of Financial Statements

These financial statements were prepared by management and approved by the Acting Public Service Commissioner.

LONG TERM DISABILITY INCOME CONTINUANCE PLAN – MANAGEMENT, OPTED OUT AND EXCLUDED

SCHEDULE OF INVESTMENTS IN FIXED INCOME SECURITIES

March 31, 2002

($ thousands)

	Plan's Share	
	2002	2001
Deposits and short-term securities	$ 679	$ 401
Fixed Income Securities (a)		
Public		
Government of Canada, direct and guaranteed	1,477	1,276
Provincial		
Alberta, direct and guaranteed	16	19
Other, direct and guaranteed	941	1,200
Municipal	78	77
Corporate, Public and Private	3,234	3,174
	5,746	5,746
Receivable from sale of investments and accrued investment income	126	114
Liabilities for investment purchases	(71)	(79)
	55	35
	$ 6,480	$ 6,182

(a) Fixed income securities held as at March 31, 2002 had an average effective market yield of 5.93% per annum (2001: 5.91% per annum). The following term structure of these securities as at March 31, 2002 is based on principal amount:

	2002	2001
	%	
Under 1 year	7	5
1 to 5 years	32	35
6 to 10 years	30	28
11 to 20 years	12	16
Over 20 years	19	16
	100	100

LONG TERM DISABILITY INCOME CONTINUANCE PLAN – MANAGEMENT, OPTED OUT AND EXCLUDED

SCHEDULE OF INVESTMENTS IN CANADIAN EQUITIES

March 31, 2002

	($ thousands)	
	Plan's Share	
	2002	2001
Deposits and short-term securities	$ 43	$ 36
Public Equities (a) (b)		
Communications and media	158	131
Conglomerates	52	142
Consumer products	151	124
Financial services	959	739
Gold and precious minerals	142	78
Industrial products	551	715
Merchandising	132	65
Metals and minerals	179	120
Oil and gas	428	394
Paper and forest products	77	74
Pipelines	62	60
Real estate and construction	27	24
Transportation and environmental services	107	34
Utilities	213	208
	3,238	2,908
Passive index	45	70
	3,283	2,978
Receivable from sale of investments and accrued investment income	29	33
Liabilities for investment purchases	(10)	(77)
	19	(44)
	$ 3,345	$ 2,970

(a) The Plan's net investment in Canadian public equities includes the fair value of deposits and floating rate notes, totalling $684,000 (2001 $601,000), which are used as underlying securities to support the notional amount of Canadian equity index swap contracts.

(b) The industrial classifications are those used by the Toronto Stock Exchange indices.

LONG TERM DISABILITY INCOME CONTINUANCE PLAN – MANAGEMENT, OPTED OUT AND EXCLUDED

SCHEDULE OF INVESTMENTS IN UNITED STATES EQUITIES

March 31, 2002

	($ thousands)	
	Plan's Share	
	2002	2001
Deposits and short-term securities	$ 19	$ 24
Public Equities (a)		
Consumer discretionary	400	344
Consumer staples	281	216
Energy	205	200
Financial	520	508
Health Care	362	349
Industrials	325	269
Information technology	463	386
Materials	101	73
Telecommunications	105	181
Utilities	109	146
	2,871	2,672
Receivable from sale of investments and accrued investment income	28	125
Liabilities for investment purchases	(13)	(11)
	15	114
	$ 2,905	$ 2,810

(a) The industrial classifications are those used by the Standard & Poor's indices.

LONG TERM DISABILITY INCOME CONTINUANCE PLAN – MANAGEMENT, OPTED OUT AND EXCLUDED

SCHEDULE OF INVESTMENTS IN NON-NORTH AMERICAN EQUITIES

March 31, 2002

	($ thousands)	
	Plan's Share	
	2002	2001
Deposits and short-term securities	$ 45	$ 47
Public Equities (a)		
Country		
United Kingdom	720	622
Japan	495	620
France	322	286
Switzerland	233	177
Netherlands	232	201
Germany	191	242
Australia	117	84
Italy	97	122
Hong Kong	82	93
Spain	76	110
Finland	55	51
Sweden	49	91
Other	206	176
	2,875	2,875
Receivable from sale of investments and accrued investment income	50	59
Liabilities for investment purchases	(52)	(56)
	(2)	3
	$ 2,918	$ 2,925

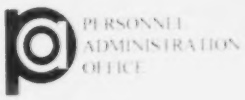
(a) The Plan's net investment in Non-North American public equities includes the fair value of deposits and floating rate notes, totalling $3,000 (2001 $4,000), which are used as underlying securities to support the notional amount of Non-North American equity index swap contracts.

Personnel Administration Office

http://www.pao.gov.ab.ca/

Personnel Administration Office

GOVERNMENT'S PREFERRED FUTURE OF THE ALBERTA PUBLIC SERVICE



The Alberta Public Service is respected for its attitudes, knowledge and skills, its effective management of public policy and its dedication to achieving quality, affordable services for Albertans.

VISION

PAO — Building a strong public service.

MISSION STATEMENT

Our mission is to provide corporate human resource strategies, policy frameworks and strategic support services that enable departments to fulfill their business plans and achieve government's preferred future of the Alberta public service. Our mission supports the government's core businesses of people, prosperity and preservation.

CORE BUSINESS

PAO's core business is to set strategic direction for human resource management in the Alberta public service through the provision of corporate human resource strategies, policy frameworks and strategic support services.

Strategic Leadership

- Provide strategic leadership to departments in addressing cross-department human resource needs and issues and develop and implement the corporate human resource plan.

Alignment/Commitment

- Provide human resource strategies, policy frameworks and consulting services that assist departments in compensating, rewarding and recognizing employees.

Well-Being

- Provide human resource strategies, policy frameworks and consulting services that assist departments in providing a safe work environment and supporting the well-being of employees.

Competence/Versatility

- Provide human resource strategies, policy frameworks and consulting services that assist departments in attracting, selecting and developing employees to meet current and future needs.

OPERATIONAL OVERVIEW

The Personnel Administration Office (PAO) is the central human resources arm of government. PAO works with departments to develop cross-ministry human resource strategies and policy frameworks in a variety of areas to support departments in achieving their business plan goals. PAO is also responsible for the delivery of strategic support services. PAO's areas and primary functions are:

Human Resource Policy and Consulting

Develops Human Resource strategies and policy frameworks and provides expert consulting to departments in the areas of benefits, classification and compensation, labour relations and occupational health and safety. Services include conducting collective bargaining on behalf of government as an employer and providing an employee assistance program for public service employees.

Corporate Human Resource Development

Provides leadership in building corporate human resource development initiatives; develops human resource strategies and policy frameworks; provides expert consulting to departments in staffing and workforce development; and works with departments to understand current and emerging human resource needs.

Executive Search

Provides a specialized consulting service in the recruitment and selection of deputy ministers, senior officials, executive managers and other senior level Alberta public service positions, as well as positions and members for significant agencies, boards and commissions. Also assists departments with redeployment initiatives; provides input into leadership continuity strategies; and facilitates internal and external executive mobility. Oversees the Alberta Interchange program which allows for employee exchanges between external organizations and the Alberta Government.

Information Management

Provides strategic information management services and business support services for PAO. Coordinates the development and implementation of PAO's Information Management/Information Technology Plan and ensures alignment with the Corporate Information Management/Information Technology Strategy. Works with departments to develop and implement initiatives for the effective management of human resource information.

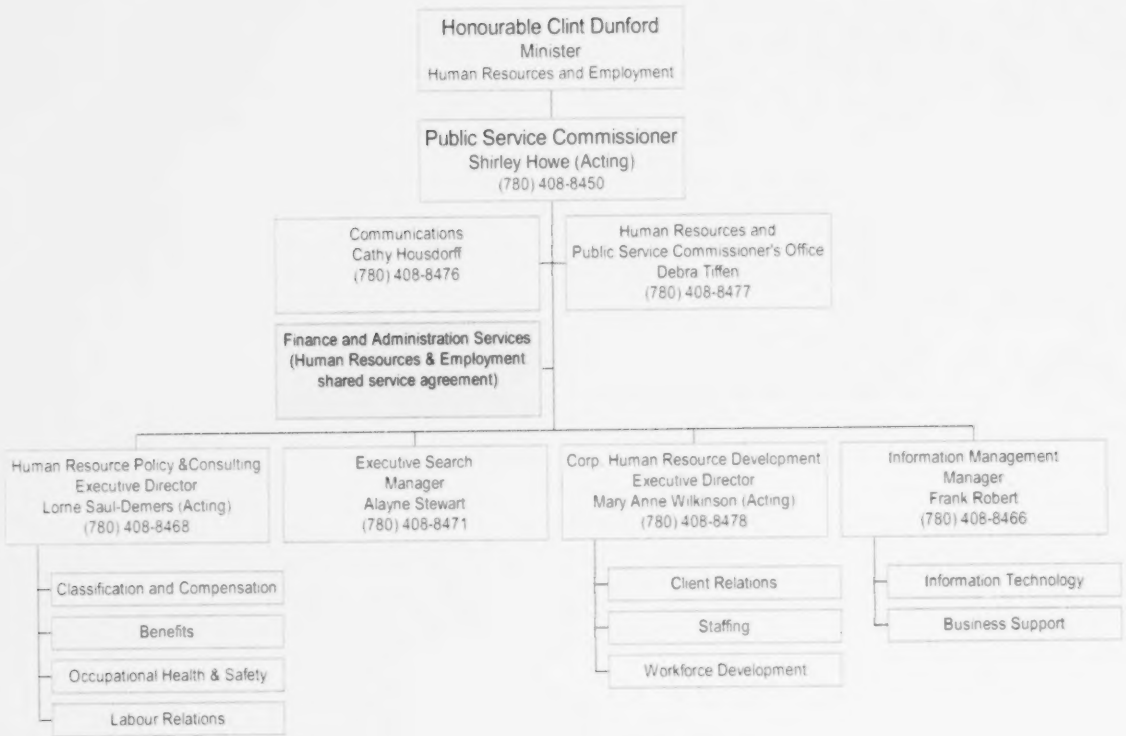
Public Service Commissioner's Office, Human Resources and Communications

From within the Public Service Commissioner's office, coordination is provided for the preparation and submission of the business plan, performance measures, annual report and the budget. The Human Resource office for PAO provides departmental human resource support, advice and leadership to PAO managers and staff. Communication services and support are provided to the Minister, Public Service Commissioner and program areas of PAO.

Finance and Administration Services

PAO has had a shared service arrangement to receive finance and administration services since 1987. Services have been delivered most recently through the department of Alberta Human Resources and Employment (AHRE) and the Alberta Corporate Service Centre (ACSC). Strategic financial and administrative services and financial policy advice is received from AHRE. Services such as accounts payable processing, library, mail and courier, accommodation, and records management services are provided by the ACSC.

Personnel Administration Office
Organization Chart



AUDITOR GENERAL
Alberta

Report of the Auditor General on the Results of Applying Specified Auditing Procedures to Key Performance Measures

To the Members of the Legislative Assembly:

I have performed the following procedures in connection with the Personnel Administration Office's performance measures. The Personnel Administration Office's performance measures are included in the *2001-2002 Annual Report of the Ministry of Human Resources and Employment* as presented on pages 142 to 154.

1. Information obtained from an independent source, such as Statistics Canada, was agreed with the information supplied by the stated source. Information provided internally was agreed to the reports from the systems used to develop the information.

2. The calculations which converted source information into reported measures were tested.

3. The appropriateness of the description of each measure's methodology was assessed.

As a result of applying the above procedures, I found no exceptions. However, these procedures do not constitute an audit and therefore I express no opinion on the Personnel Administration Office's performance measures included in the *2001-2002 Annual Report of the Ministry of Human Resources and Employment*.

Fred J. Dunn, CA
Auditor General

Edmonton, Alberta
July 24, 2002

results analysis

goals, measures, results

Goal 1: **Strategic Leadership: Provide strategic leadership to departments in addressing cross-department human resource needs and issues, develop and implement the corporate human resource plan**

STRATEGIES

Greater integration and effectiveness in addressing priority human resource issues:

- Work with departments to develop the annual corporate human resource plan including the corporate human resource development strategy. Ensure its implementation through the development of complementary departmental plans and realigned human resources delivery.
- Co-ordinate the use of the Corporate Human Resource Research and Development Fund to support priority human resource needs.
- Provide support to cross-ministry initiatives.

Increased ability for departments to meet their human resource needs:

- Identify human resource approaches that ensure the public service can respond effectively to anticipated trends and issues gathered through environmental scanning.
- Facilitate the adoption of human resource best practices across the public service.
- Support the use of technology to enhance human resource decision making and effectiveness.
- Provide expert human resource consulting.

All directives and regulations are current and relevant:

- Maintain an ongoing review of human resource directives and regulations in keeping with the intent of regulatory reform.

RESULTS

PAO provided leadership and coordination to the Corporate Human Resource Plan and the Corporate Human Resource Development Strategy. Additional information on results achieved and performance measures are reported under goals 2, 3 and 4.

The Corporate Human Resource Plan was developed in consultation with Human Resource Directors and was approved by the Deputy Minister Committee. Priorities for 2001/2002 were: building leadership capacity, attraction and retention of talent, alignment of the management of human resources and classification/collective bargaining.

The first three priorities of the Corporate Human Resource Plan form the Corporate Human Resource Development Strategy. The Strategy was one of the cross-ministry initiatives in 2001/2002. These initiatives are established annually by the Government of Alberta and represent those initiatives that would benefit from a strategic interdepartmental approach to achieving results. PAO continued to provide leadership and coordination for the initiatives under the Strategy.

The Government of Alberta has been recognized by other jurisdictions and organizations such as the Conference Board of Canada as a leader in human resource development strategies. The Corporate Human Resource Development Strategy received a gold award for innovative management from the Institute of Public Administration of Canada (IPAC) in May 2001.

The Auditor General conducts an annual audit of human resource management and PAO is responsible for coordinating the implementation of the audit recommendations. Progress continued to be made in areas such as enhancing employee performance management systems.

Projects funded under the Corporate Human Resource Research and Development Fund included:

- Development of a new Corporate Executive Development program
- A guide to department human resource planning
- Enhancements to the Ambassador Program and the Internship Program
- Core Measures Survey
- Classification Review Project
- Best practices research in human resource management through Conference Board of Canada and Corporate Leadership Council memberships.

In addition to its leadership role on the Corporate HR Development Strategy, PAO actively supported a number of cross-ministry initiatives. This included the Service Alberta initiative (formerly known as Alberta One Window) and the Alberta Corporate Service Centre initiative.

PAO coordinated the development and administration of a six month hiring restraint program for the Alberta public service which ended March 31, 2002. The program was part of the Government of Alberta's immediate response to the economic and fiscal issues that arose in the fall of 2002.

PAO worked with departments to obtain and use current research and best practices information. In addition, PAO sought out technology solutions when developing and implementing new programs or strategies:

- PAO, ACSC and the Human Resource Directors Council collaborated on a variety of initiatives including the Employee Relations action plan to enhance the level of employee relations consulting competence within the human resource community; classification training needs; modifications to IMAGIS (the cross-government human resource information management system); the ACSC non-management classification streamlining project; and the implementation of the collective agreement.
- Participated actively in developing additional functionality for AGent (the Alberta Government Employee Network) and as a result, management and opted out and excluded employees handled Choice time 2001 electronically. During this process, employees were able to update their benefit plan choices through a secure intranet site.
- Introduced a process for accepting employment applications online, increasing the appeal of applying for jobs with the Government of Alberta in an increasingly competitive labour market. Applicants can apply online for all positions posted to *The Bulletin Online* and can view the status of competitions. About 45 percent of applicants have used the online application process. In 2001/ 2002 Alberta was the only Canadian provincial jurisdiction offering this scope of service.

For more information visit: http://www.gov.ab.ca/jobs/

PERFORMANCE MEASURES

PAO conducts a comprehensive survey of client satisfaction every two years with its primary clients (deputy ministers and their executive committees, human resource directors and human resource consultants in government departments). The latest survey was conducted in 2000/2001.

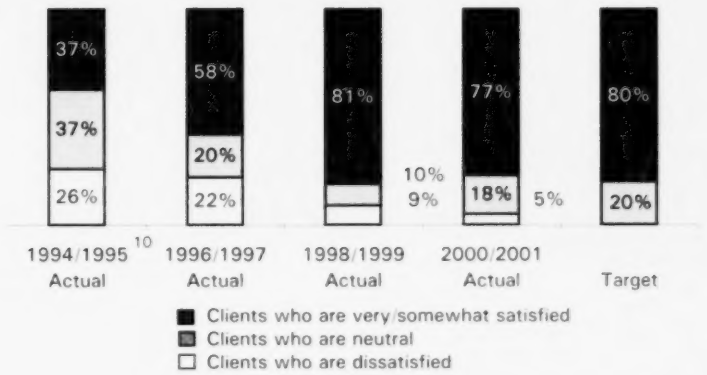
To measure client satisfaction, an independent survey organization, Research Innovations Inc., conducted a census survey of PAO's clients using a combination of telephone, personal interviews and web/e-mail based data collection methods. Of the 258 clients eligible to participate, 234 participated in the study. Data on measures of overall satisfaction with working relationships with PAO and overall satisfaction with PAO's human resource strategies and policy frameworks was collected through either a personal interview or by telephone, in order to be consistent with prior surveys. Individual responses were categorized on a scale of one to five ranging from very satisfied to very dissatisfied. Results were averaged to give each group equal weight.

ANALYSIS

Client Satisfaction[10]

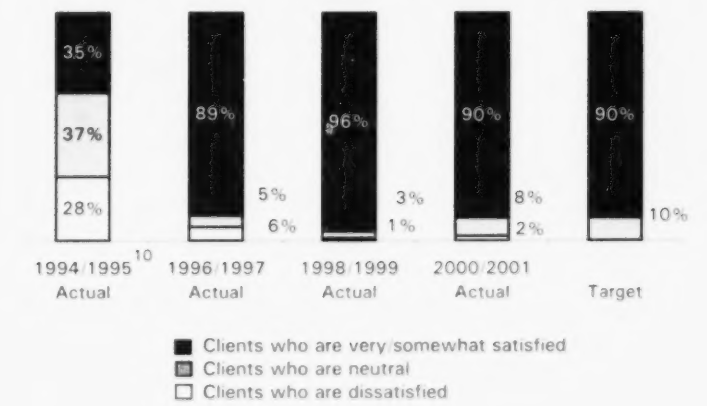
Seventy-seven percent of clients were somewhat or very satisfied with the corporate human resource strategies and policy frameworks in 2000/2001, which was slightly below the established target. The change is due to an increase in the percentage of clients who are neutral (neither satisfied nor dissatisfied). The number of dissatisfied clients decreased slightly from the previous survey. The next survey will be conducted in 2002/2003.

Client Satisfaction with Human Resource Strategies and Policy Frameworks



In regard to working relationships with PAO, the results from the 2000/2001 client satisfaction survey showed a slight decrease in satisfaction to 90 percent which met the target established for 2000/2001. The next survey will be conducted in 2002/2003.

Client Satisfaction with Working Relationships with the Personnel Administration Office



[10] 1994/1995 actual figures were derived from responses to a group of questions. 1996/1997, 1998/1999 and 2000/2001 actual figures were derived from a single question posed to all participating clients.

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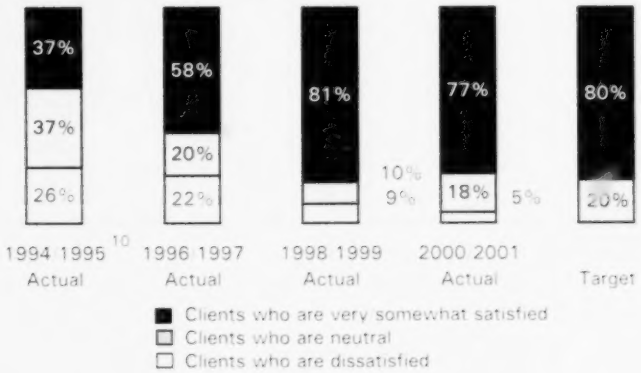

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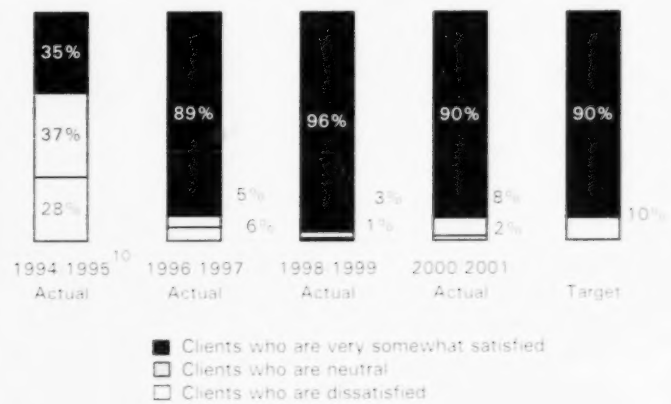


Supplemental Information

PAO tracks and regularly reviews the human resource directives and regulations to ensure that the regulatory framework for human resource management is appropriate and meets the government's regulatory reform objectives. The number of regulations remained constant in 2001/2002 and the number of directives increased as a result of the introduction of two directives in May 2001 related to the re-employment of pensioners. PAO continues to review all human resource directives at least once every three years.

Number of Human Resource Regulations and Directives

	1999/2000 Actual	2000/2001 Actual	2001/2002 Actual
Regulations	4	4	4
Directives	108	105	107

Source: Personnel Administration Office.

PAO represents the interests of the Government of Alberta as an employer, in the resolution of disputes in the form of employee grievances or other disputes arising from the workplace. PAO manages the dispute resolution process when a dispute remains unresolved and is referred to an arbitration board. In 2001/2002, the number of grievances that progressed to the arbitration level increased slightly from the previous year. The majority of grievances continue to be resolved prior to arbitration.

Labour Relations Statistics

	1999/2000 Actual	2000/2001 Actual	2001/2002 Actual
Number of current year arbitration level grievances	27	32	33

Source: Personnel Administration Office.

Goal 2: Alignment/Commitment: Provide human resource strategies, policy frameworks and consulting services that assist departments in compensating, rewarding and recognizing employees for their contributions to business plan goals.

STRATEGIES

Establish a closer link between performance and rewards/recognition:

- Assist departments in linking employee performance to the achievement of business plan goals through effective use of the performance management system.
- Review strategies to assist departments in compensating and rewarding employees.
- Co-ordinate the Premier's Award of E cellence program.

Review and respond to total compensation issues to ensure they meet current realities and needs:

- Review and update the non-management classification plan to address identified needs, using a phased-in approach.
- Conduct collective bargaining.

RESULTS

Work continued on improving the effectiveness of performance management systems across departments. The updated performance management framework was finalized and work began on addressing the recommendations from a pilot project used to assess performance management systems in seven departments. Performance management continues to be a priority for PAO and departments.

A guide to human resource planning was developed through the Conference Board of Canada to assist departments in more closely linking their human resource planning processes to the business planning process.

PAO continued to deliver the Premier's Award of Excellence Program to maintain its profile as a prestigious corporate recognition program that supports continuous learning and best practices. The program provides an opportunity to encourage service excellence including, superior performance, assessing progress and identifying ongoing improvements in the public service. In 2001, 48 submissions were received and 27 teams were recognized with awards.

For more information visit: http://www.pao.gov.ab.ca/premier/

Progress has been made as PAO continues to provide leadership and coordination to a government-wide initiative to convert the non-management classification plan to a modified Hay methodology. The Public Service Employment Regulation and associated directives were revised to establish the new classification plan. The new plan was implemented for Subsidiary 6 (Social Services). As of April 2002, work on Subsidiary 2 (Administrative and Program Services) and the opted out/excluded groups was being finalized in preparation for the implementation phase. This project involves ongoing collaboration with departments and the Alberta Union of Provincial Employees.

PAO concluded collective bargaining with the Alberta Union of Provincial Employees on the Master Agreement and nine Subsidiary Agreements. The agreement is for a three-year term, effective September 1, 2001 and expiring August 31, 2004. The general increase was five percent in the first year, four percent in the second year and a wage opener in the third year.

PERFORMANCE MEASURES

The Corporate Human Resource Plan is developed annually in conjunction with departments and is approved by deputy ministers. This includes the development and approval of targets for the performance measures. The Corporate HR Plan addresses priority areas for human resource management in the Alberta public service. Measurement data is collected through the annual

Core Measures Survey and also through department reports submitted on the Corporate Human Resource Development Strategy.

Core measures of employee satisfaction have been established and annual surveys have been conducted since 1996 to assess employee views. The Core Measures Survey is conducted by an independent survey organization, Research Innovations, Inc. The most recent survey to gather corporate core measures data was a telephone survey of 400 Government of Alberta employees. It was conducted in December 2001 and provided comparable survey results to previous years. The margin of error was no greater than ±5 percent at the 95 percent confidence level.

Corporate Human Resource Plan Measures	1999/2000 Actual	2000/2001 Actual	2001/2002 Actual	2001/2002 Target
% of employees who understand how their work contributes to their department's business plan	81%	78%	81%	80%
% of employees who understand how the work of their department contributes to government business plan goals*	n/a	71%	77%	73%
% of employees who report their organization helps them know and understand how well they are performing*	66%	68%	67%	70%
% of employees who receive recognition for their contributions to progress on business plan goals*	50%	53%	56%	55%
% of employees who are satisfied with their employment in the Alberta public service*	80%	85%	84%	85%

* Supplemental information.
Source: Core Measures Survey.

ANALYSIS

Eighty one percent of employees surveyed understand how their work contributes to their department's business plan and seventy seven percent of employees understand how the work of their department contributes to government business plan goals.

Performance management continued to be a key priority under the Corporate Human Resource Plan. Sixty-seven percent of employees reported their organization helps them know and understand how well they are performing which was slightly below the target of seventy percent. These results were relatively constant with the results from the prior two years. A strong emphasis continues to be placed on performance management and work in this area is ongoing.

Progress has been made in the area of recognition with fifty six percent of employees surveyed reporting that they received recognition for their contribution to business plan goals. Results show steady improvement over the

past three years indicating that departments' increased emphasis on recognition initiatives is having an impact. The satisfaction of employees with their jobs in the public service continues to remain very high at eighty-four percent.

Goal 3: **Well-Being: Provide human resource strategies, policy frameworks and consulting services that assist departments in providing a safe work environment and supporting the well-being of employees.**

STRATEGIES

Assist employees in managing their well-being:

- Deliver an employee assistance program for public service employees.
- Promote wellness in the Alberta Public Service.

Reduce accident/injury and illness/long term disability (LTD) rates:

- Work with high and medium risk departments to reduce accident/injury rates through the Partnerships in Health and Safety program.
- Continue to develop and enhance disability management initiatives.

RESULTS

PAO continued to deliver an employee assistance program to the individuals employed by the public service. Staff from the Employee Assistance Program have also been involved in Critical Incident Stress Debriefings as a result of traumatic workplace situations such as the death of a coworker or dangerous situations like firefighting. Consultants also provided advice to managers in addressing behavioural health issues in the workplace.

PAO continued to demonstrate its leadership role in the area of occupational health and safety by successfully renewing its Certificate of Recognition under the Partnerships in Health and Safety program.

Work continued with departments on health and safety issues and programs. As the certifying partner for government under the Partnerships in Health and Safety Program, PAO also continued to work with high and medium risk departments to pursue certification. The number of Certificates of Recognition increased from three to thirteen in 2001/2002. There are 50 certified auditors for the program across government.

PAO participated on a cross-government committee formed by the Ministry of Infrastructure to develop the Indoor Air Quality Protocol. This protocol provides guidance to departments in addressing issues about indoor air quality in Government of Alberta occupied facilities. PAO led the subcommittee to prepare explanatory guidelines for those using the Protocol. Hygienists from PAO have served as technical experts on indoor air quality issues.

PAO continued to coordinate services under the Employee Support and Recovery Assistance (ESRA) program. This voluntary program is designed to

assist employees with recovery assistance and an earlier return to work from an illness leave. This year, ESRA assisted 105 employees in an earlier return to work.

PERFORMANCE MEASURES

The measures shown on the following chart provide information on the time lost due to incidents, injury and illness in the Alberta public service and related costs.

- Work days lost measures the number of work days that employees lost due to injury, relative to the total hours worked. This information is based on disabling injuries that occurred in the calendar year. Days lost from within that calendar year and up to the end of March of the following year for those incidents are included. The methodology has been revised to align with the methodology used by the department of Alberta Human Resources and Employment.
- Time Lost to General Illness measures the average number of general illness days taken per employee across the public service. General illness covers absences due to illness or injury greater than three days to a maximum of 80 days.
- Cost of General Illness captures salary costs for general illness absences.
- The Long Term Disability (LTD) incidence rate measures the number of new Long Term Disability claims per 1000 employees. The total number of employees includes a small number who are within the first three months of their employment that would not be eligible for LTD benefits.

Well-Being Performance Measure (Calendar Year)	Source	1999 Actual	2000 Actual	2001 Actual	2001 Target
Work days lost (per 100 person years worked) Number of working days lost X 200,000 hours Employee Hours worked	IMAGIS* database, WCB, department data	Methodology Revised	Methodology Revised	53.77***	Maintain or reduce

Well-Being Performance Measures (Fiscal Year)	Source	1999/2000 Actual	2000/2001 Actual	2001/2002 Actual	2001/2002 Target
Time lost to General Illness (Average # of days lost per employee)	IMAGIS* database	4.7 days per employee**	4.4 days per employee**	4.2 days per employee***	Maintain or reduce
Cost of General Illness ($ Thousands)****	IMAGIS* database	$12,700**	$13,200**	$15,200***	Maintain or reduce
Long Term Disability (LTD) Incidence Rate (Number of new claims per 1,000 employees)	IMAGIS* database, PAO, Great-West Life	14.2 per 1,000 employees	13.9 per 1,000 employees	11.8 per 1,000 employees	Maintain or reduce

* IMAGIS is the cross-government human resource management information system.

** Restated from 2000/2001 annual report.

*** Preliminary data.

**** Supplemental information.

ANALYSIS

Aligning the methodology for the work days lost measure with that used by the department of Alberta Human Resources and Employment allows for greater comparability of results between the Alberta public service and Alberta-wide results. Within the Alberta public service, the work days lost rate in 2001 was 53.77 days per 100 person years worked.

The number of departments and worksites pursuing certification under the Partnerships in Health and Safety program increased over this period and those departments are implementing a more comprehensive approach to health and safety. PAO continues to work with all departments on appropriate intervention strategies to ensure that frequency and severity of incidents decreases.

For comparison purposes, results for the Alberta public service on the work days lost measure in 2001 can be converted to the same base as the results reported in the *Measuring Up* section of the Government of Alberta's annual report (see workplace climate measure). When this is done, the Alberta public service rate converts to 21.5 days lost per 10,000 person days which is below the 32.8 days lost per 10,000 person days worked reported for Alberta industries in *Measuring Up*.

The average time lost per employee to general illness decreased slightly in 2001/2002 however, the cost of general illness increased. There was an increase in the number of days employees were absent and an increase in the average salary. The incidence of new long term disability claims decreased to 11.8 per 1000 employees which met the target.

Initiatives such as the Employee Support and Recovery Assistance program, the Employee Assistance Program and the Partnerships in Health and Safety program assist the public service in reducing the incidence and/or severity of injury or illness and the related time away from work. PAO continues to work with departments to ensure that disability management supports and strategies are in place within the public service.

SUPPLEMENTAL INDICATOR

PAO delivers the Employee Assistance Program which provides diagnostic and referral services on behavioural health issues for employees within the Alberta public service. In 2001/2002, more clients accessed the program.

Employee Assistance Program Statistics

	1999/2000	2000/2001	2001/2002
Number of clients accessing Employee Assistance Program	512	614	860

Source: Personnel Administration Office.

Goal 4: Competence/Versatility: Provide human resource strategies, policy frameworks and consulting services that assist departments in attracting, selecting, retaining and developing employees to meet current and future needs.

STRATEGIES

Ensure departments are positioned to respond to emerging human resource needs:

- Respond to demographic pressures, growing competition for scarce human resources and rapidly changing skills needs through targeted strategies that foster continuous learning, develop leaders for tomorrow, and attract and retain new graduates and skilled employees.
- Provide a corporate search program targeted at attracting and recruiting to executive and senior official levels; assist departments in facilitating internal and external executive mobility; and provide search consulting for senior positions with significant government agencies, boards and commissions.

RESULTS

A number of initiatives related to building leadership capacity and attracting and retaining talent were undertaken as part of the Corporate Human Resource Development Strategy.

Corporate Executive Development

For more information visit: http://www.pao.gov.ab.ca/ced/

The Corporate Executive Development Initiative was launched to build leadership capacity within the Alberta public service and ensure that well qualified individuals are ready to assume senior leadership positions including Deputy Minister (DM) and Assistant Deputy Minister (ADM) positions. This program includes DM and ADM profiles with key competencies; an enhanced executive assessment and orientation program; and development planning assistance. Mentoring workshops, training sessions on the key competencies and information sessions on the 2002/2003 cross-ministry initiatives were held during 2001/2002.

As the workforce ages, the need for leadership continuity planning continues to be important to departments. In 2001/2002 departments reported that succession plans were in place for all leadership critical positions reporting to Assistant Deputy Ministers.

For more information visit: http://www.financialcareers.gov.ab.ca/

For more information visit: http://www.itcareers.gov.ab.ca/

PAO worked with the finance and information technology communities to develop websites profiling careers in those areas of the public service. The finance website profiles financial careers, provides information on how the finance community is structured, describes related functions, profiles specific jobs and identifies career progression information. A similar website for the information technology community was launched in February 2002.

The Ambassador Program continued to support departments' efforts to market the Alberta public service as an attractive employer. The Alberta public service was represented in six career fairs including those held at the University of Alberta and the University of Calgary.

As part of the attraction and retention strategies in 2001/2002, an enhanced internship website for students and graduates, an intern handbook and intern supervisor handbook were introduced for interns in the Alberta public service. There were 478 work experience, co-op and internship placements across the public service in 2001/2002.

For more information visit: http://www.pao.gov.ab.ca/jobs/employment/students/network/index.html

PAO's Executive Search area continued to manage effective consulting services and recruitment and selection activities for senior official, executive manager, board member and other senior positions with significant agencies, boards and commissions. Executive Search also provided support to departments by facilitating lateral transfers and exemptions from competition.

PERFORMANCE MEASURES

Data for the performance measure associated with this goal is gathered through the annual Core Measures survey (for methodology refer to page 147).

Corporate Human Resource Plan Measure	1999/2000 Actual	2000/2001 Actual	2001/2002 Actual	2001/2002 Target
% of managers who report their employees have the skills to meet current and future needs	93% current 81% future	92% current 81% future	90% current 80% future	90% current 80% future
Employee's assessment of organizational support for their learning to meet current and future needs*	72% current 64% future	76% current 66% future	79% current 67% future	78% current 68% future

* Supplemental information.
Source: Core Measures Survey.

ANALYSIS

Results continue to be strong in this area. In 2001/2002, ninety percent of managers reported that their employees have the skills to meet current needs which is slightly lower than the previous year but still on target. Eighty percent reported their employees have the skills to meet future needs which meets the established target.

Employee assessment of organizational support for their learning increased slightly from 2000/2001 to 2001/2002 for current needs and future needs. Results are on target for these measures and departments continue to support continuous learning.

SUPPLEMENTAL INDICATOR

Executive Search conducted 43 competitions in 2001/2002 (two of which were carried forward from 2000/2001). These competitions involved service to 16 departments and six significant agencies, boards and commissions. In the 2001/2002 point-of-service client surveys, all Executive Search clients were satisfied with the service provided.

Executive Search Statistics

	1999/2000	2000/2001	2001/2002
Number of Competitions			
Open	29	28	26
Limited	19	17	17
Total	48	45	43
Competitions Managed			
Senior Official/Deputy Minister	4	1	4
Executive Manager II	8	9	16
Executive Manager I	25	29	14
Other Levels	7	1	2
Other[1]	4	5	7
Total Competitions Managed	48	45	43

Source: Personnel Administration Office.

[1] Includes provincial agencies, boards and commissions and Legislative Assembly Officers.

Supplementary Information

BENEFIT PLANS

The following two tables provide statistics on the benefits paid and usage of employee benefits plans. A description of the plans accompanies each table.

Plan		Benefits Paid (in $ Thousands)		
		1999/2000	2000/2001	2001/2002
Basic Group Life Insurance	Bargaining Unit Deaths	33	41	33
	Total Benefits Paid	$2,452	$2,802	$2,506
	Management and Excluded Deaths	11	9	10
	Total Benefits Paid	$1,638	$1,434	$1,507
Accidental Death and Dismemberment Insurance	Bargaining Unit Deaths	1	0	2
	Total Benefits Paid	$180	$0	$251
	Management and Excluded Deaths	0	1	0
	Total Benefits Paid	$0	$83	$0
Dependents' Life Insurance	Bargaining Unit Deaths	23	16	20
	Total Benefits Paid	$146	$106	$134
	Management and Excluded Deaths	3	10	9
	Total Benefits Paid	$25	$90	$80
Enhanced Life Insurance	Deaths	7	4	6
	Total Benefits Paid	$833	$894	$804
Retiree Life Insurance	Bargaining Unit Deaths	173	136	173
	Total Benefits Paid	$520	$408	$522
	Management and Excluded Deaths	48	40	36
	Total Benefits Paid	$146	$124	$108

Source: Personnel Administration Office; Great-West Life.

About The Plans

Basic Group Life Insurance

A lump sum is paid to the beneficiary on the employee's death. A partial advance payment of the total coverage may be paid to a terminally ill employee. The employer pays two thirds, and the employee pays one third of the premium.

Accidental Death and Dismemberment Insurance

This policy provides additional benefits if death was accidental, or if an accident causes loss of use of limbs. The employer pays two thirds, and the employee one third of the premium.

Dependents' Life Insurance

Employee-funded, this benefit is paid to the employee on the death of an insured spouse or child.

Enhanced Life Insurance

Employee-funded, this additional coverage is based on a multiple of annual salary and is available to management and non-union employees.

Retiree Life Insurance

The bargaining unit plan provides a $4,000 benefit to the beneficiary on the death of the insured retired employee. The management and excluded plan provides a $5,000 benefit to the beneficiary on the death of the insured retired employee if the employee retired or terminated with 10 to 20 years of service, and $5,000 with 20 or more years of service.

BENEFIT PLANS

Plan		Benefits Paid (in $ Thousands)		
		1999/2000	2000/2001	2001/2002
Extended Medical Benefits and Prescription Drug Plans	Bargaining Unit Extended Medical Benefits Paid	$7,577	$8,087	$9,849
	Management and Excluded Extended Medical Benefits Paid	$961	$933	$1,191
	Management and Excluded Prescription Drug Benefits Paid	$2,495	$2,639	$3,072
Travel-Occupational Accident Insurance	Deaths	0	0	0
	Benefits Paid	$0	$0	$0
Dental Plans	Bargaining Unit Benefits Paid	$7,704	$8,000	$8,750
	Management and Excluded Benefits Paid	$3,981	$4,280	$4,918
Long-Term Disability Income Continuance Plan	Benefits Paid	$19,884	$21,104	$20,189
	Number of Employees receiving benefits	1,166	1,161	1,100
	Number of new claims during the year	272	275	244

Source: Personnel Administration Office; Blue Cross; Great-West Life; Clarica; Canada Trust.

About The Plans

Extended Medical Benefits and Prescription Drug Plans

The bargaining unit extended medical benefits plan provides optional coverage for prescription drugs and other medical services. Employees and the employer each pay 50 percent of the premiums. The *1st choice* plan for managers and non-union employees is composed of two optional plans. One plan provides core and enhanced coverage for extended medical services; the other plan provides core and enhanced prescription drug coverage. There is a sharing of premiums between the employer and participating employees.

Travel-Occupational Accident Insurance

This plan covers wage and a small number of other employees who are not covered under the life insurance plan. The plan is employer-funded and is for accidents causing death or dismemberment which occur at work or when travelling on government business. The principal benefit is equal to four times an employee's salary to a maximum of $125,000.

Dental Plans

The bargaining unit and core management plans reimburse 80 percent for basic dental services, 50 percent for major services and orthodontic services (within annual limits). An enhanced employee-paid plan under the *1st choice* program for management and non-union employees provides a higher reimbursement level. All plans cover the employee, the employee's spouse and eligible children.

Long-Term Disability Income Continuance Plan

Employees unable to perform at least 60 percent of their job duties or undertake employment due to their medical condition are provided with benefits equal to 70 percent of their pre-disability salary. Employees capable of returning to work receive rehabilitation and re-employment assistance.

EMPLOYEE FUNDED LEAVE PROGRAM

Employees may regularly set aside a portion of their salaries with a trustee. They then receive the deferred salary back at a later date while on a leave of absence ranging from 4 to 12 months in length. The value of the program fund at March 31, 2002 was $293,870.

PROFILE OF THE ALBERTA PUBLIC SERVICE

As at March 31, 2002 there were 21,459 salaried[12] employees in the Alberta public service, a slight decrease over March 31, 2001 when there were 21,518 employees. There was a six month period of staffing restraint in 2001/2002.

Distribution of Staff by Department

Department	Employees	Percentage of Public Service
Aboriginal Affairs and Northern Development	59	0.3%
Agriculture Food & Rural Development	1,054	4.9%
Auditor General	113	0.5%
Children's Services	2,656	12.4%
Community Development	2,120	9.9%
Economic Development	207	1.0%
Energy	543	2.5%
Environment	763	3.6%
Executive Council	42	0.2%
Finance	179	0.8%
Government Services	1,496	7.0%
Health and Wellness	720	3.4%
Human Resources and Employment	2,032	9.5%
Infrastructure	930	4.3%
Innovation and Science	217	1.0%
International and Intergovernmental Relations	54	0.3%
Justice and Attorney General	2,000	9.3%
Learning	980	4.6%
Legislative Assembly Office	75	0.3%
Gaming	32	0.1%
Municipal Affairs	333	1.6%
Office of the Chief Electoral	10	0.0%
Office of the Ombudsman	19	0.1%
Personnel Administration Office	70	0.3%
Public Affairs Bureau	194	0.9%
Revenue	261	1.2%
Seniors	220	1.0%
Solicitor General	1,851	8.6%
Sustainable Resource Development	1,425	6.6%
Transportation	804	3.7%
Total	21,459	100%

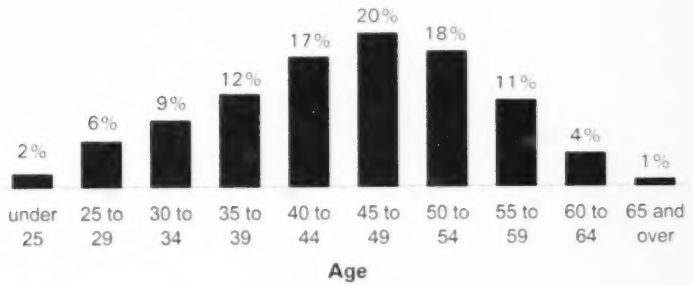
Source: IMAGIS database (the cross-government human resource information management system); Legislative Assembly Office.

[12] Salaried staff includes permanent, temporary and long-term wage employees.

The following charts include permanent, temporary and long-term wage employees. Data is obtained from IMAGIS, the cross-government human resource information management system.

The average age of salaried public service employees was 45 in 2001/2002.

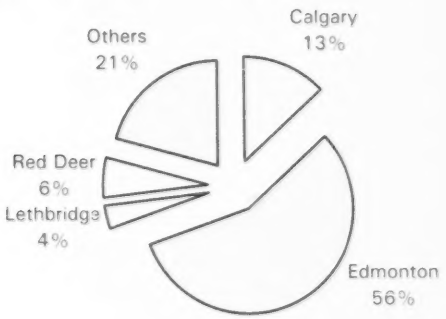
Age Distribution



The average annual salary of permanent full time public service employees in 2001/2002 was $48,960.

Salary Distribution

Location of Public Service Employees



Alberta Labour Relations Board

http://www3.gov.ab.ca/alrb/

Alberta Labour Relations Board

Message from the Chair/Future Directions

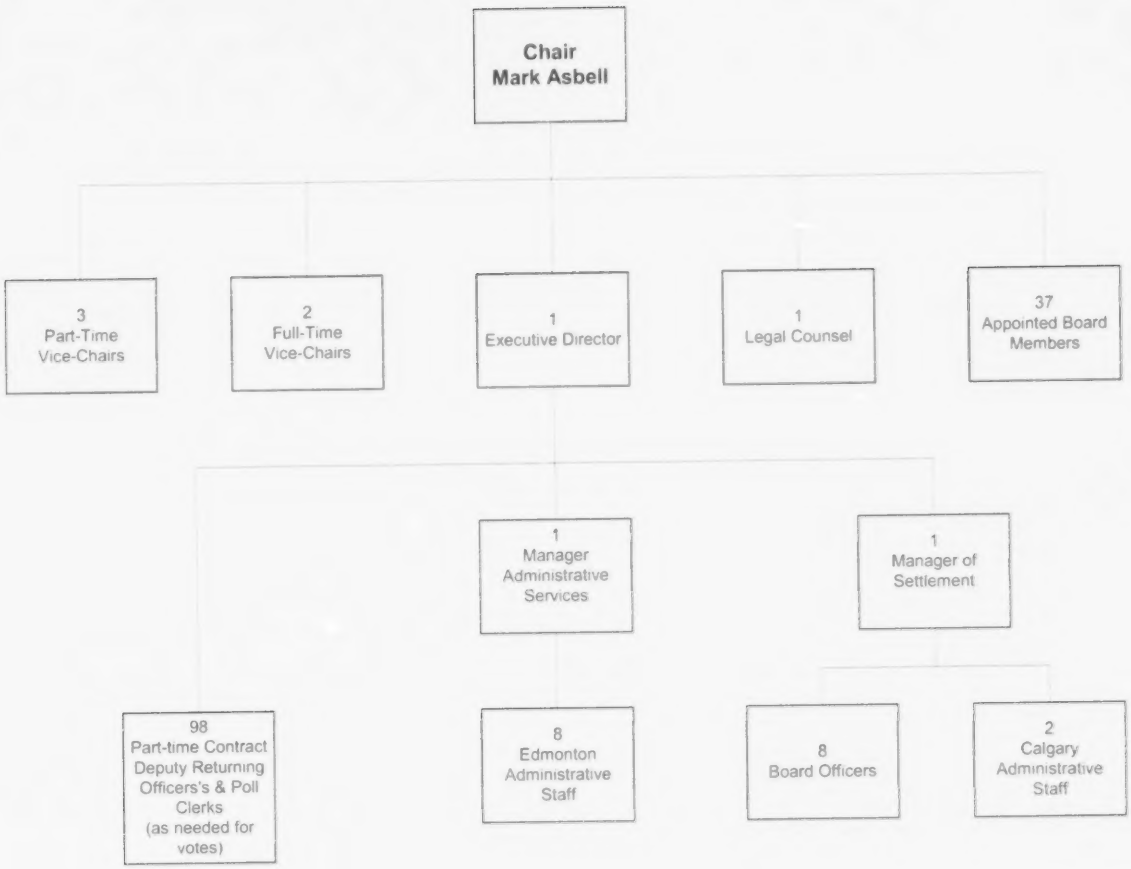
The past year has been a busy one for the Board balancing a major external consultation with a number of internal initiatives. The external consultation concerns itself with a proposed review of the bargaining units in Alberta's health care sector in an effort to define standard bargaining units that make better labour relations sense given the transition to the Regional Health Authority concept. The Board is now analyzing the comments from two facilitated public forums and written submissions from the affected parties for review at its annual caucus meeting of Board Members.

Internally, the Board has been concentrating on a review and revision of its policy and procedures, adding to its management tools by developing reporting mechanisms to further speed up the processing of applications and continuing to build on recent successes in settlement of disputes.

From a personnel perspective, the Board has experienced both fond goodbyes and enthusiastic hellos. Deborah Howes, Vice-Chair for the Board since 1991, elected not to seek re-appointment and decided to offer her expertise in labour relations and adult education to the private sector. A major player in many of the Board initiatives over the years, Deborah's work ethic and enthusiasm will be missed. On the other hand, the Board is looking forward to working with our newly appointed Vice-Chair Nancy Schlesinger, who brings her experiences as a lawyer with the Alberta Courts and Legal Counsel for the Board to the position.

Mark Asbell
Chair, Alberta Labour Relations Board

Alberta Labour Relations Board
Organization Chart



THE ALBERTA LABOUR RELATIONS BOARD

Employees have the right to seek collective bargaining with their employers. The *Labour Relations Code*, *Public Service Employee Relations Act* and the *Police Officers Collective Bargaining Act* guarantee this right and establish a framework for employees to make this choice freely. They describe how a trade union bargains with an employer over terms and conditions of employment to arrive at a collective agreement. Rules of fair play govern trade unions, employers, and employees in their labour relations activities.

The Alberta Labour Relations Board (the Board) is an independent and impartial tribunal. It is responsible for the day-to-day application and interpretation of these rules and also processes the various applications required by the statutes.

Board activities are largely client and caseload driven. The Board maintains tight control over its case handling and vote mechanisms. The Board recognizes that the timely resolution of labour relations differences involves the interests of the public as a whole as well as the interests of the parties directly involved in the difference.

Alberta's labour relations legislation encourages parties to settle their disputes, wherever possible, through honest and open communication. The Board offers informal settlement options to the parties, but it also has inquiry and hearing powers to make binding rulings whenever necessary.

vision, mission and core business

2001 | 2002

VISION

A fair and equitable labour relations climate in Alberta.

MISSION STATEMENT

To administer, interpret and enforce Alberta's collective bargaining laws in an impartial, knowledgeable efficient, timely and consistent way.

CORE BUSINESS

The Board's core activities arise from the responsibilities placed on it by the labour relations legislation it oversees. These activities are:

- The investigation, processing, and determination of applications made to the Board by parties in Alberta's collective bargaining regime.
- The formal adjudication of issues arising out of the application/ complaint process.
- The informal mediation of differences in attempts to limit the need for formal adjudication and help build mutually beneficial relationships between parties.
- The education of Alberta's labour community in the interpretation of Alberta's labour relations legislation and the Board's rules, policies and procedures.
- The development of formal and informal consultative processes with the province's labour relations community to ensure that Board policies and procedures are sensitive to the current realities in the community.

AUDITOR GENERAL
Alberta

Report of the Auditor General on the Results of Applying Specified Auditing Procedures to Key Performance Measures

To the Members of the Legislative Assembly:

I have performed the following procedures in connection with the Alberta Labour Relations Board's key measures included in the *2001-2002 Annual Report of the Ministry of Human Resources and Employment* as presented on pages 166 to 169.

1. Information obtained from an independent source, such as Statistics Canada, was agreed with the information supplied by the stated source. Information provided internally was agreed to the reports from the systems used to develop the information.

2. The calculations which converted source information into reported measures were tested.

3. The appropriateness of the description of each measure's methodology was assessed.

As a result of applying the above procedures, I found no exceptions. However, these procedures do not constitute an audit, and therefore I express no opinion on the key measures included in the *2001-2002 Annual Report of the Ministry of Human Resources and Employment*.

Fred J. Dunn, CA
Auditor General

Edmonton, Alberta
July 15, 2002

results analysis

goals, strategies, measures and results

ALBERTA LABOUR RELATIONS BOARD

For more information on the Labour Relations Board visit: http://www3.gov.ab.ca/alrb/

Goal 1: To provide timely, effective and efficient services to the Alberta labour relations community

STRATEGY

It is important from a labour relations perspective that all matters brought before the Board be dealt with as quickly as possible to ensure these situations don't grow into larger, more complicated issues. The strategy is to investigate applications in a timely and accurate manner to ensure early resolution of differences.

KEY PERFORMANCE MEASURE

The percentage of applications that are completed within the following guidelines:

- Certification applications to be completed within 30 calendar days.
- Revocation applications to be completed within 30 calendar days.
- Modification of bargaining relationships applications to be completed within 200 calendar days.
- Proposal vote applications to be completed within 15 calendar days.

These percentages will provide an indication of the timeliness of the Board's services.[1]

---

[1] **Source/Methodology**
The Alberta Labour Relations Board Case Management System tracks all applications and complaints brought before the Board. The system tracks and calculates completion time from the date of acceptance to the date that the matter is resolved. In the case of days to completion calculations, a report is run to determine the amount of time to completion for each matter. The number of matters completed on or before the target date are identified and calculated as a percentage of all matters that the Board had before it in that particular category.

Percentage completed within identified timelines

Application Type	Actual 2000/01	Target 2000/01	Actual 2001/02	Target 2001/02
Certification	69%	75%	79%	75%
Revocations	37%	70%	47%	70%
BR Modifications	56%	70%	70%	70%
Proposal Votes	100%	75%	100%	75%

ANALYSIS

A renewed emphasis on the efficient processing of applications brought before the Board (and the development of new file tracking reports from the Board's case management system) have resulted in higher percentages of applications being completed within prescribed timelines. In the case of the revocation applications concluded in 2001/02, of the 25 instances where the files were concluded after the 30 day threshold, 16 involved bargaining relationships where there were no employees in those bargaining units. In the past, the Board and the parties have given lesser priority to those revocation applications where there are no affected employees. After a case-by-case analysis of the overdue files, the Board will be monitoring revocation applications in 2002/03 to speed up their processing.

Goal 2: The Board promotes the use of Alternative Dispute Resolution methods to resolve issues before reaching formal hearings

STRATEGY

In many applications before the Board there is an opportunity for officials of the Board, during the process, to help settle disputes before they get to hearing. These types of facilitated settlements help build effective relationships. The strategy is to ensure that Board officials develop and maintain the proper facilitation skills required and that these techniques and skills are applied to all appropriate applications.

KEY PERFORMANCE MEASURE

The following initiative was implemented to help achieve its Alternative Dispute resolution objectives. The performance measure is the percentage of applications, with Board involvement, settled before reaching a formal hearing. This provides an indication of the effectiveness of Alternative Dispute Resolution methods.

Percentage of applications settled

	Actual 2000/01	Target 2000/01	Actual 2001/02	Target 2001/02
Percentage of applications settled with Board Staff with Alternative Dispute Resolution techniques[1]	30%	31%	55%*	49%*

* Change in Methodology (Settlements equal settled + withdrawn versus just settlements. See analysis below for explanation).

ANALYSIS

The Board changed the old methodology due to the fact that Board intervention would often result in the issues(s) being resolved and the party who originally applied, closing its file by writing a letter to the Board withdrawing the matter. By not including the withdrawn cases, the previous methodology was failing to account for the settlement efforts and time the Board was applying on the withdrawn files.

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[1] Does not including Certification, Revocation, Strike/lockout matters which are required by legislation to go to hearing.

Source/Methodology

The Alberta Labour Relations Board Case Management System tracks all applications and complaints brought before the Board. In this performance measure, the case management system is used to identify the type of resolution associated with the conclusion of each matter. Settlement/withdrawn is defined as closing the file through Board Staff involvement. Drawing data from the Board's "Average Time – Other by Category" report, this measure uses the figures from the settlement/withdrawn categories and calculates these as a percentage of the total number of matters.

Goal 3: Decisions must be clear and timely so the parties can quickly implement the resolution

STRATEGY

Minimize the length of time that parties await decisions.

KEY PERFORMANCE MEASURE

Percentage of decisions rendered with 90 calendar days of completion of hearing.

Percentage of decisions rendered within 90 days

	Actual 2000/01	Target 2000/01	Actual 2001/02	Target 2001/02
Percentage of decisions rendered within 90 calendar days of completion of hearing	88%	85%	84%	86%

ANALYSIS

The 84% of decisions rendered within 90 days of the end of the hearing was short of the intended goal of 86% as a result of a number of long delayed cases being finally concluded during the 2001/02 reporting period. This had an adverse effect on the hearings that were commenced and completed during the reporting period.

Source/Methodology

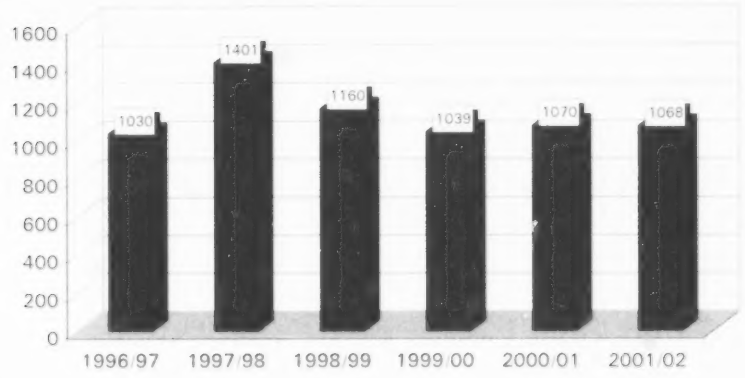
The Alberta Labour Relations Board Case Management System tracks all data relating to hearings and decision timelines. In this performance measure, the case management system is used to identify the those decisions that meet the reporting period requirements and calculates the duration from the date that a commitment date was input (or the final date of hearing if a commitment is not required) to the date that the decision was released. Those decisions that are completed in 90 days or less are calculated as a percentage of the total number of decisions released during the reporting period.

highlights

2001 | 2002

- Health Care Bargaining Unit Review project begun.
- A review and revision of the Board's policy and procedures.
- Development of more detailed reporting mechanisms to monitor files for timeliness.
- Continuing to build on recent successes in settlement of disputes.

Alberta Labour Relations Board – Concluded Cases



Workers' Compensation Board

http://www.wcb.ab.ca/

Workers' Compensation Board

other financial information – financial statements

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- Management Commentary on the Financial Statements for 2001
- Responsibility for Financial Reporting
- Auditor's Report
- Actuaries Report
- Balance Sheet
- Statement of Operations
- Statement of Reserve and Fund Balance
- Statement of Cash Flows
- Notes to Financial Statements
- Schedule A – Salaries and Benefits
- Schedule A1 – Salaries and Benefits

Workers' Compensation Board

financial statements

Management Commentary on the Financial Statements for 2001

RESULTS OF OPERATIONS

The overall result is an operating deficit of $149.8 million[1] brought about primarily by claim experience and decreased investment revenue.

The Occupational Disease Reserve was increased by $5.0 million consistent with the revised Funding Policy. The Fund balance at December 31, 2001 is $221.9 million.

The average actual premium rate collected was considerably below the average premium rate required to meet the cost of current year injuries[2] primarily as a result of the investment gains.

INVESTMENT ACTIVITIES

Investments held to meet future benefit obligations for past injuries decreased to $3,918.5 million, a reduction of 4.8%. The capital market in 2001 was quite weak resulting in a market return of 0.0% for 2001 compared to 5.0% for the previous year.

CLAIM BENEFIT LIABILITIES

Estimated claim benefit liabilities of the corporation increased to $3,492.7 million, an increase of 8.2%. Note 9 to the financial statements provides a reconciliation of the changes to the claim benefit liabilities. There were no material changes in 2001 to the actuarial assumptions or methodology other than as identified in the Actuarial Certificate and Note 9.

1. **The operating deficit of $149.8 million can be attributed to the following:**

Net investment revenue gain over liability requirements and investment revenue on the fund balance and reserves	$	119.5 million
Shortfall in premium revenue as a result of actual premium rate ($1.31) being lower than the required premium rate ($1.75) on $38.1 billion in insurable earnings		(165.9 million)
Actuarial adjustments		(105.8 million)
Other items		2.4 million
Total	$	(149.8 million)

2. **Average Actual Compared to Average Required Premium Rates Per $100 Insurable Earnings**

Year	Average Actual Premium Rate	Average Rate Required for Full Funding	Difference
2001	1.31	1.75	(0.44)
2000	1.11	1.74	(0.63)
1999	1.06	1.64	(0.58)
1998	1.35	1.47	(0.12)
1997	1.50	1.50	(0.00)
Average	1.31	1.57	(0.35)

Responsibility for Financial Reporting

The financial statements of the Workers' Compensation Board were prepared by management, which is responsible for the integrity and fairness of the data presented, including significant accounting judgements and estimates. This responsibility includes selecting appropriate accounting principles consistent with generally accepted accounting principles in Canada.

In discharging its responsibility for the integrity and fairness of the financial statements, management maintains the necessary internal controls designed to provide reasonable assurance that relevant and reliable financial information is produced and that assets are properly safeguarded.

The WCB's actuarial staff performs an annual actuarial valuation of the claim benefit liabilities included in the financial statements of the WCB.

The Board of Directors is responsible for overseeing management in the performance of financial reporting responsibilities and has approved the financial statements included in the Annual Report.

The Board of Directors is assisted in its responsibilities by its Audit Committee. This committee reviews and recommends approval of the financial statements; and meets periodically with management, external auditors, and actuaries concerning internal controls and all other matters relating to financial reporting.

Watson Wyatt has been appointed as the independent consulting actuary to the WCB. Their role is to complete an independent review of the annual actuarial valuation of the claim benefit liabilities included in the financial statements of the WCB and to report thereon in accordance with generally accepted actuarial principles.

KPMG, the independent auditor of the WCB, has performed an audit of the financial statements of the WCB in accordance with Canadian generally accepted auditing standards. The Auditors' Report outlines the scope of this independent audit and the opinion expressed.

Don Ritz
Vice-Chair,
Board of Directors

Rick LeCacheur
Interim President and
Chief Executive Officer

Ron W. Grainger
Chief Financial Officer

Auditor's Report to the Board of Directors of the Workers' Compensation Board – Alberta and the Auditor General of the Province of Alberta

We have audited the balance sheet of Workers' Compensation Board – Alberta (the Board) as at December 31, 2001 and the statement of operations, statement of reserves and fund balance and statement of cash flows for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants
Edmonton, Canada
March 22, 2002

TO THE BOARD OF DIRECTORS OF THE WORKERS' COMPENSATION BOARD – ALBERTA

We have made an independent review of the actuarial valuation of the liabilities for future benefits payable under the *Workers' Compensation Act* as at December 31, 2001 in respect of accidents which have occurred up to that date.

The actuarial valuation has been performed by the Board's actuarial staff and a comprehensive actuarial report has been prepared and provided to the Board. A summary of the net discount rates used in the actuarial valuation is referred to in the notes to the financial statements.

The Board's auditors have made an independent review of the financial data used in the actuarial valuation. We have reviewed the data used for the valuation and have made tests of reasonableness and of consistency with the data used in prior years. In our opinion the data is sufficient and reliable for the purposes of this valuation.

The actuarial valuation of these liabilities in the amount of $3,492,700,000 represents the actuarial present value at December 31, 2001 of all future short term disability benefits, long term disability benefits, survivor benefits, health care payments and rehabilitation payments and expenses of administration which are expected to be made in future years and which relate to claims occurring on or before December 31, 2001. The actuarial valuation does not include benefits or payments that are on a self-insured basis.

The valuation was based on the *Workers' Compensation Act* in effect as of December 31, 2001 as administered by the Board, and on the current practices and administration procedures of the Workers' Compensation Board and historical claims experience. In respect to disability benefits of accidents in 1995 and subsequent years, the actuarial liabilities are now based on actual experience whereas in previous valuations the experience of post-1994 accidents was assumed to be the same as pre-1995 accidents. This change did not result in a material change in the actuarial liabilities, and is described in the valuation report.

There are no material changes in actuarial methods and assumptions since the prior valuation.

The actuarial assumptions and methods used are based on the Board's best estimates and take into account current benefits, expenditures and practices, and assume that the Board is a continuing entity underwriting all occupational injuries and diseases in the covered workforce in Alberta. No allowance has been made for possible liabilities arising from the recommendations made in 2000/2001 by the two Review Committees initiated by the Minister of Alberta Human Resources and Employment, which are referred to in the financial statements.

In our opinion, for the purpose of the valuation, the actuarial assumptions are appropriate and the methods employed are consistent with sound actuarial principles. The valuation report has been prepared, and our opinions have been given in accordance with accepted actuarial practice.

WATSON WYATT & COMPANY

L. N. Taylor.

Leslie N. Taylor, F.I.A., F.C.I.A.
Fellow, Canadian Institute of Actuaries

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Fellow, Canadian Institute of Actuaries

THE WORKERS' COMPENSATION BOARD – ALBERTA

BALANCE SHEET

As at December 31, 2001
(thousands of dollars)

	2001	2000
ASSETS		
Cash	$ 191,210	$ 80,423
Receivables (Note 3)	49,488	44,096
Investments (Note 4)	3,918,459	4,116,677
Capital assets (Note 6)	63,993	47,676
	$ 4,223,150	$ 4,288,872
LIABILITIES		
Payables and accruals (Note 7)	$ 60,072	$ 47,667
Deferred revenue (Note 8)	221,951	416,567
Claim benefit liabilities (Note 9)	3,492,700	3,226,400
	3,774,723	3,690,634
RESERVES AND FUND BALANCE		
Occupational disease reserve	226,500	221,500
Fund balance	221,927	376,738
	$ 4,223,150	$ 4,288,872

Commitments (Note 17)

The accompanying notes and schedules are an integral part of these financial statements.

On behalf of the Board of Directors

DON RITZ
VICE-CHAIR, BOARD OF DIRECTORS

RICK LELACHEUR
INTERIM PRESIDENT AND
CHIEF EXECUTIVE OFFICER

THE WORKERS' COMPENSATION BOARD – ALBERTA
STATEMENT OF OPERATIONS
For the year ended December 31, 2001
(thousands of dollars)

	2001		2000
	Budget	Actual	Actual
REVENUE			
Premiums	$ 476,300	$ 508,640	$ 393,771
Investment (Note 10)	441,800	330,382	428,808
Other (Note 11)	6,700	2,869	2,795
	924,800	841,891	825,374
EXPENDITURE			
Claim costs (Note 9)	866,000	916,123	801,294
Administration (Note 13)	59,500	59,815	61,727
Injury reduction (Note 15)	10,300	10,699	10,229
Appeals Commission (Note 16)	6,000	5,065	4,697
	941,800	991,702	877,747
OPERATING DEFICIT	$ (17,000)	$ (149,811)	$ (52,373)

THE WORKERS' COMPENSATION BOARD – ALBERTA
STATEMENT OF RESERVE AND FUND BALANCE
For the year ended December 31, 2001
(thousands of dollars)

	2001	2000
OCCUPATIONAL DISEASE RESERVE		
Balance at beginning of year	$ 221,500	$ 135,200
Transfer from Fund Balance	5,000	86,300
BALANCE AT END OF YEAR	$ 226,500	$ 221,500
FUND BALANCE		
Balance at beginning of year	$ 376,738	$ 338,811
Operating Deficit	(149,811)	(52,373)
Transfers from (to) Reserve, net	(5,000)	(86,300)
BALANCE AT END OF YEAR	$ 221,927	$ 376,738

The accompanying notes and schedules are an integral part of the financial statements.

THE WORKERS' COMPENSATION BOARD – ALBERTA
STATEMENT OF CASH FLOWS
For the year ended December 31, 2001
(thousands of dollars)

	2001		2000
	Budget	Actual	Actual
CASH FLOW FROM OPERATING ACTIVITIES			
Cash received from:			
Employers	$ 478,200	$ 510,590	$ 389,441
Dividends and interest	120,000	144,662	162,628
Other income	9,000	4,062	1,995
	607,200	659,314	554,064
Cash paid to:			
Claimants, or third parties on claimants behalf	544,300	570,839	494,712
Employees and suppliers for administrative and other goods and services	128,800	128,433	141,777
Injury reduction	10,300	10,956	12,487
	683,400	710,228	648,976
Net cash used for operating activities	(76,200)	(50,914)	(94,912)
CASH FLOW FROM INVESTING ACTIVITIES			
Cash received from:			
Sale and maturity of investments	500,000	645,307	683,127
Cash paid for:			
Purchase of investments	395,300	455,984	632,134
Purchase of capital assets, net	38,500	27,622	22,272
	433,800	483,606	654,406
Net cash provided from investing activities	66,200	161,701	28,721
NET INCREASE (DECREASE) IN CASH	(10,000)	110,787	(66,191)
Cash at beginning of year	110,000	80,423	146,614
CASH AT END OF YEAR	$ 100,000	$ 191,210	$ 80,423

The accompanying notes and schedules are an integral part of the financial statements.

THE WORKERS' COMPENSATION BOARD – ALBERTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2001
(thousands of dollars)

1. GENERAL

Legislative Authority

The Workers' Compensation Board (WCB) operates under the authority of the *Workers' Compensation Act*, Revised Statutes of Alberta 2000, Chapter W-15.

Vision and Mission

The Vision of the WCB is "Albertans working – a safe, healthy and strong Alberta".

The Mission of the WCB is "The WCB – Alberta, working together with our partners, will significantly and measurably reduce the impact of workplace illness and injury on Albertans".

Funding Policy

Consistent with Section 91 of the *Workers' Compensation Act*, the Board of Directors established a funding policy to ensure for the benefit of its stakeholders the WCB remains financially stable and secure into the future. An Occupational Disease Reserve was created to provide for the costs that may arise from latent occupational diseases where a causal link to the workplace has not yet been established but may be established in the future. The funding policy also stipulates a Fund Balance to recognize the degree of uncertainty in the business of workers' compensation.

Claim Benefit Liabilities

Claim benefit liabilities are independently reviewed by an external actuary as at December 31, 2001 and represent the actuarial present value of all future benefit payments expected to be made for claims which have occurred in respect of current and prior years' injuries.

These benefits are expressed in constant dollars discounted at 4.0% per annum, being the difference between expected investment earnings and expected increases in benefit payments, except for non-wage related temporary disability payments which are discounted at 3.5%, rehabilitation and claim administration costs which are discounted at 2.5%. Health care costs are ultimately discounted at 0.5% to reflect expected higher increases in health care costs and utilization.

The claim benefit liabilities include provision for all benefits provided by current legislation, policies and administrative practices. No provision has been made for claims related to known latent occupational diseases where the claim has not yet been reported and the year of disablement would be in a subsequent period.

The actuarial liabilities of the WCB are of a long-term nature and therefore the actuarial assumptions and methods used to calculate the reported actuarial liabilities at December 31, 2001 are based on considerations of future expenditures over the long term. It is reasonably possible that changes in future conditions within one year of the financial statement date could require a change in the recognized amounts.

2. SIGNIFICANT ACCOUNTING POLICIES

General

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Cash

Cash and cash equivalents are funds consisting of cash and money market instruments with maturities up to 3 months.

Cash and short-term investments held in the investment portfolio for trading purposes are excluded from cash and cash equivalents reported on the balance sheet.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Fixed term investments are stated at amortized cost. Gains and losses realized on disposal of fixed term investments are deferred and amortized on the straight-line basis over a period which approximates the average remaining term to maturity of the fixed term investments sold. Equity and real estate investments are stated at moving average market value. Gains and losses realized on disposal of equity and real estate investments together with unrealized gains and losses occurring during the year, are deferred and amortized on the straight-line basis over five years.

Derivative Financial Instruments

Derivative financial instruments are financial contracts whose price is dependent on the price of one or more underlying securities, reference rates or indices. Derivative products include interest rate swaps, equity and bond index swaps, forward foreign exchange contracts, and cross currency interest rate swaps. These products are traded by the WCB for income enhancement and can be used to hedge interest rate and foreign currency exposures. Interest rate swap and forward foreign exchange contract notional amounts are not recognized in the financial statements. Index swaps are recorded at moving average market value or amortized cost based on the nature of the index used. Cross currency interest rate swaps are recorded at amortized cost.

Interest rate swaps are transactions in which two parties exchange interest rates on a specified notional amount for a predetermined period. Interest income is recognized in the year.

Equity and bond index swaps are agreements to exchange cash flows based on the return of a specified equity or bond index. Income is recognized in the year.

Forward foreign exchange contracts represent commitments to exchange two currencies at a specified future date based on a rate agreed to by both parties at the inception of the contract. Foreign exchange gains and losses are recognized in the year as income.

Cross-currency interest rate swaps exchange fixed for floating interest rates, or one fixed currency for another fixed currency interest rate, and exchange the foreign currency for Canadian currency. Interest income is recognized in the year.

Fair Value

The carrying value of cash, receivables and payables and accruals approximate their fair value due to the relatively short periods to maturity of the instruments. The fair value of investments is market value. The market value of publicly traded investments is based on quoted market prices. The market value of privately held debt, equity and real estate investments is based on discounted future cash flows or independent appraisals. The market or replacement value of swaps and options is determined by the net unrealized gains or losses, accrued interest receivable or payable and premiums paid or received. The market value of cross currency interest rate swaps includes both the market value of the underlying bond, and the market value of the swap.

Foreign Currency Translation

Assets and liabilities, with the exception of investments, denominated in foreign currency are translated into Canadian dollars at the exchange rate in effect at the balance sheet date. The foreign currency exchange gains and losses for investments are recorded in the same manner as other investment gains and losses.

Use of Accounting Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires the WCB's management to make estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting periods presented. Actual results could differ from the estimates made by management. Claim benefit liabilities, reserve for occupational disease and accrued premiums are the most significant items which reflect estimates in these financial statements.

Capital Assets

Capital assets are reported at cost and are amortized over their estimated useful lives. Amortization is provided using the following methods and annual rates:

Buildings		2 1/2% straight-line
Equipment	• computer	35% diminishing balance
	• furniture and other	15% diminishing balance
	• vehicles	20% straight-line
Computer software		20% straight-line

3. RECEIVABLES (thousands of dollars)

	2001	2000
Premiums	$ 22,227	$ 21,578
Accrued Premiums	23,219	16,968
Other	4,042	5,550
	$ 49,488	$ 44,096

4. INVESTMENTS (thousands of dollars)

	2001		2000	
	Book Value	Market Value	Book Value	Market Value
Cash	$ 18,714	$ 18,892	$ 29,589	$ 30,855
Fixed Term:				
Short Term	47,420	49,236	70,191	70,109
Long Term	1,490,481	1,543,944	1,731,203	1,822,027
	1,537,901	1,593,180	1,801,394	1,892,136
Real estate	124,607	129,811	122,054	128,733
Equities:				
Domestic	821,640	834,289	787,113	828,923
Foreign	1,415,597	1,372,386	1,376,527	1,419,431
	2,237,237	2,206,675	2,163,640	2,248,354
	$ 3,918,459	$ 3,948,558	$ 4,116,677	$ 4,300,078

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT ACTIVITIES (thousands of dollars)

Derivative Financial Instruments

	2001		2000	
	Notional Amount	Replacement Value	Notional Amount	Replacement Value
Interest rate swaps	$ 57,036	$ (2,773)	$ 73,741	$ (1,632)
Forward foreign exchange contracts	77,490	156	87,384	1,274
Equity index swaps	143,426	8,340	175,735	(4,544)
Bond index swaps	36,947	18	120,713	746
	314,899	5,741	457,573	(4,156)
Par value of cross-currency interest rate swaps	149,498	–	230,046	–
	$ 464,397	$ 5,741	$ 687,619	$ (4,156)

As at December 31, 2001, the market value of the cross-currency interest rate swaps and the underlying bonds is $150,688 (2000: $231,976).

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT ACTIVITIES (continued)

	Remaining Term to Maturity					
Notional Principal	Within 1 Year	Over 1 to 3 Years	Over 3 to 5 Years	Over 5 Years	Total 2001	Total 2000
Interest rate swaps	$ 18,687	$ 33,929	$ 4,420	$ –	$ 57,036	$ 73,741
Forward foreign exchange contracts	77,490	–	–	–	77,490	87,384
Equity index swaps	143,426	–	–	–	143,426	175,735
Bond index swaps	36,947	–	–	–	36,947	120,713
Cross-currency interest rate swaps	48,419	17,999	25,536	57,544	149,498	230,046
	$ 324,969	$ 51,928	$ 29,956	$ 57,544	$ 464,397	$ 687,619

Notional principal amounts in swaps and foreign exchange contracts are the contractual amounts on which payments are made. They are not indicative of the credit exposure with derivative products. On the other hand, as described in Note 2, the replacement value is determined by the net unrealized gains or losses, accrued interest receivable or payable and premiums paid or received. If the counterparty to the derivative fails to discharge their obligation, then the replacement value is the credit exposure of the WCB.

Credit Risk Management

Credit exposure on financial instruments arises from the possibility that a counterparty to an instrument fails to perform. Counterparties for derivative contracts will have at least an AA credit rating. The issuer for fixed term investments will have at least a BBB credit rating. Specific rules have been established to ensure the credit rating of a counterparty does not fall below a threshold deemed acceptable by the WCB. The WCB does not anticipate that any counterparties will fail to meet their obligations.

The WCB invests in publicly and privately traded shares and bonds available on domestic and foreign exchanges. These shares and bonds are affected by market changes and fluctuations. The WCB does not use derivative financial instruments to alter the effects of these market changes and fluctuations.

The WCB may lend any of its investments to third parties provided the loans are secured by cash or readily marketable securities having a market value of 105% of the loan. As of December 31, 2001 secured loans amounted to $333,481 ($243,393 in 2000).

Foreign Exchange Risk Management

The WCB has certain obligations and investments denominated in foreign currencies. The WCB does not undertake long term hedging strategies for the currency risk of foreign investments. The WCB undertakes long term investment strategies; however, currency fluctuations may affect short term returns. These fluctuations are not expected to affect the long term position of the investment portfolio. As of December 31, 2001 forward foreign exchange contracts amounted to $77,490 ($87,384 in 2000).

Interest Risk Management

Fluctuations in interest rates are managed by actively managing the duration of the fixed term portfolio. The WCB also enters into various types of interest rate contracts in managing interest rate risk. The table below represents the remaining term to maturity of the WCB's outstanding fixed term investments.

	Remaining Term to Maturity				
Market Value	Within 1 Year	Over 1 Year To 5 Years	Over 5 Years	Total 2001	Total 2000
Fixed Term Investments	$ 49,236	$ 485,151	$ 1,058,793	$ 1,593,180	$ 1,892,146

The fixed term investments include bonds, debentures, and other interest bearing instruments. The average effective yield of these fixed term investments, excluding the investment in real return bonds, is 5.33% (2000: 5.95%) per annum based on market value.

6. CAPITAL ASSETS (thousands of dollars)

	2001			2000
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 1,119	$ 0	$ 1,119	$ 1,119
Buildings	39,429	(14,959)	24,470	11,483
Equipment	6,977	(3,524)	3,453	4,453
Computer software	80,660	(45,709)	34,951	30,621
	$ 128,185	$ (64,192)	$ 63,993	$ 47,676

7. PAYABLES AND ACCRUALS (thousands of dollars)

	2001	2000
Accrued staff benefits	$ 16,221	$ 13,589
Partners In Injury Reduction	24,747	15,897
Other	19,104	18,181
	$ 60,072	$ 47,667

8. DEFERRED REVENUE (thousands of dollars)

	Deferred Realized Gains (Losses)			
	2001			2000
	Fixed Term	Equities	Total	Total
2002	18,504	84,831	103,335	281,527
2003	16,019	42,519	58,538	71,447
2004	16,045	1,489	17,534	35,288
2005	15,134	(9,783)	5,351	11,131
2006 – 2010	37,193	–	37,193	17,174
	$ 102,895	$ 119,056	$ 221,951	$ 416,567

9. CLAIM BENEFIT LIABILITIES (thousands of dollars)

	2001							2000
	Short Term Disability	Long Term Disability	Survivor Benefits	Health Care	Rehab-ilitation	Claim Admin-istration	Total	Total
Balance, beginning of year	$ 540,200	$ 1,305,900	$ 438,500	$ 649,400	$ 113,300	$ 175,100	$ 3,226,400	$ 3,080,800
Add:								
Claim costs incurred:								
Current year injuries	218,681	84,609	17,188	173,829	32,874	64,385	591,656	552,234
Prior year's injuries	142,473	107,570	17,364	61,138	17,082	(21,160)	324,467	269,180
	361,154	192,269	34,552	234,967	49,956	43,225	916,123	801,294
	901,354	1,502,169	473,052	884,367	163,256	218,325	4,142,523	3,882,094
Deduct:								
Claim payments made:								
Current year injuries	74,381	739	1,024	55,629	1,674	16,885	148,332	144,086
Prior year's injuries	139,073	155,830	37,228	95,638	28,982	44,740	501,471	431,568
	213,454	156,569	38,252	149,267	30,656	61,625	649,823	575,654
Balance, end of year	$ 687,900	$ 1,345,600	$ 434,800	$ 735,100	$ 132,600	$ 156,700	$ 3,492,700	$ 3,226,400

The following is a reconciliation of the claim benefit liabilities:

	2001	2000
Balance at beginning of year	$ 3,226,400	$ 3,000,800
Add:		
Provision for current year injuries	443,304	388,137
Interest allocated	210,900	187,700
Claim cost experience higher than expected	174,818	79,800
	4,055,422	3,656,437
Deduct:		
Payments, for prior year's injuries, excluding self-insured employers	493,722	424,937
Revision to actuarial methodology	29,400	7,700
Difference between actual and expected long term cost of living adjustments	26,400	(2,600)
Procedure change re: pension commutation	13,200	–
	562,722	430,037
Balance at end of year	$ 3,492,700	$ 3,226,400

10. INVESTMENT REVENUE (thousands of dollars)

	2001	2000
Dividends and interest		
Fixed term	$ 107,423	$ 128,721
Equity	31,427	27,716
Real Estate	6,731	6,863
	145,581	163,300
Add:		
Amortized realized and unrealized gains	185,720	266,180
	331,301	429,480
Deduct:		
Investment related administration expenditures	919	672
	$ 330,382	$ 428,808

11. OTHER REVENUE (thousands of dollars)

	2001	2000
Millard Health (Note 12)	$ 779	$ 1,175
Access to information	779	670
Prejudgment interest	712	504
Legal consultation	573	394
Other	26	52
	$ 2,869	$ 2,795

12. MILLARD HEALTH (thousands of dollars)

	2001	2000
Revenue		
Charged to health care claim costs	$ 17,359	$ 15,549
Non-WCB treatment services	1,973	375
	19,332	15,924
Expenditures		
Salaries and employee benefits	13,164	10,692
Office and communications	2,477	1,586
Consulting fees	1,461	1,253
Building operations	903	968
Travel and vehicle operations	474	212
Amortization of capital assets	94	38
	18,553	14,749
Operating Surplus	$ 779	$ 1,175

13. ADMINISTRATION EXPENDITURES (thousands of dollars)

	Customer Services	Corporate Services	2001	2000
Salaries and employee benefits (Schedule A)	$ 64,183	$ 17,812	$ 81,995	$ 84,505
Office and communications	19,831	1,496	21,327	23,287
Amortization of capital assets	8,600	2,558	11,158	8,468
Consulting fees	1,188	2,311	3,499	5,856
Building operations	2,469	659	3,128	4,133
Travel and vehicle operation	764	350	1,114	1,367
Other	16	122	138	106
	$ 97,051	$ 25,308	122,359	127,722
Allocate:				
Claim administration costs			61,625	65,433
Charged to investment revenue			919	562
			$ 59,815	$ 61,727

Customer Services relates to all activities associated with Risk and Disability Management. Corporate Services relates to all activities associated with Human Resources, Legal Services, Finance, Corporate Communications and Administrative Services.

14. SELF-INSURED EMPLOYERS (thousands of dollars)

These financial statements include the effects of transactions carried out for self-insured employers who directly bear the cost of their workers' claims and an appropriate share of administration expenditures. Currently, the Federal Government is the only self-insurer. This is a contractual relationship in accordance with the *Government Employees Compensation Act*. Certain government related entities and railways are responsible for the cost of injuries to their workers occurred when they were self-insured in prior years. Aggregate amounts of such premiums and offsetting expenditures are contained in the Statement of Operations as follows:

	2001	2001
Premium revenue	$ 8,726	$ 7,558
Claim costs incurred:		
Short term disability	$ 1,893	$ 1,644
Long term disability	2,910	1,751
Survivor benefits	693	1,067
Health care	1,946	1,713
Rehabilitation	204	166
	7,646	6,341
Administration expenditures	1,080	1,217
	$ 8,726	$ 7,558

15. INJURY REDUCTION (thousands of dollars)

	2001	2000
Occupational Health & Safety	$ 6,000	$ 6,000
Safety Associations	4,693	4,393
Voluntary Incentive Plan	—	(364)
	$ 10,693	$ 10,029

The WCB has a statutory obligation to reimburse the Minister of Finance a portion of the costs associated with occupational health and safety.

Funding is provided to industry sponsored safety associations for the purpose of improving the workplace.

The Voluntary Incentive Plan is based on the premise that injuries, and in turn claim costs, can be reduced through health and safety management. Financial incentives are provided to employers who reduce claim costs. 1999 was the last year of the Voluntary Incentive Plan. It has been replaced with the Partners in Injury Reduction Program which is netted against premium revenue.

16. APPEALS COMMISSION

The Appeals Commission is a separate legal entity whose operating costs are paid by the WCB from the Accident Fund in accordance with Section 11 of the *Workers' Compensation Act*. The Appeals Commission is managed separately from the WCB.

17. COMMITMENTS (thousands of dollars)

A number of operating leases exist for computer equipment and office space. The following is a schedule of future lease payments to be charged to administration expenditures:

2002	$ 9,231
2003	5,053
2004	1,803
2005	256
Beyond	3,730
	$ 20,073

18. LONG STANDING CONTENTIOUS CLAIMS

The Minister of Alberta Human Resources & Employment (AHRE) initiated in 1999/2000 two Review Committees to review the Workers' Compensation system with the intended purpose being to recommend any policy, legislative and regulatory changes to improve service delivery and accountability. One of the recommendations was to establish a one time, independent tribunal, with the authority to review long standing contentious claims. Following up this recommendation was the creation by the Minister of AHRE, in 2001 a Tribunal Task Force to recommend further detail in addressing the long standing contentious claims. These financial statements do not contain any allowance for contingent liabilities in respect to any resulting costs arising from this recommendation, as the amounts are not presently determinable.

19. BUDGET

The Board of Directors approved the budget in October, 2000. The budget is presented for comparison with the 2001 actual figures.

20. COMPARATIVE FIGURES

The 2000 figures are reclassified where necessary to conform to 2001 presentation.

THE WORKERS' COMPENSATION BOARD – ALBERTA
SALARIES AND BENEFITS
December 31, 2001

Schedule A

	2001					2000	
	Number of Individuals	Salary [1]	Benefits [2][3]	Other	Total	Number of Individuals	Total
Chairman, Board of Directors [4]	1	$ 58,728	$ 1,496	$ —	$ 60,224	1	$ 71,934
Board Members [4]	9	194,140	6,671	—	200,811	9	171,704
	10	252,868	8,167	—	261,035	10	243,638
President and Chief Executive Officer	1	328,022 [5]	48,360 [6]	—	376,382	1	333,378
Vice President, Customer Service & Disability Management	1	204,979	46,071	—	251,050	1	229,352
Vice President, Customer Service & Risk Management	1	189,573	25,482	—	214,857	1	204,793
Vice President, Business Development, Communications & IM	1	189,987	42,273	—	232,260	1	220,367
Vice President, Employee & Corporate Services	1	142,097 [7]	21,990	—	164,087	—	—
Vice President, Chief Information Officer	—	—	—	—	—	—	37,190 [8]
Chief Financial Officer	1	192,007	59,106	—	251,113	1	215,920
Secretary & General Counsel	1	178,712 [9]	27,607	—	206,319	1	207,631
	7	1,425,379	270,889	—	1,696,068	6	1,468,630
Full Time Staff: [2001 – $56,397; 2000 – $54,288]	1,527	75,057,871	11,386,243	—	86,424,114	1,598	86,752,775
Termination Benefits	—	—	—	2,589,337 [10]	2,589,337	—	2,344,044
Long-Term Disability	—	—	—	2,308,566 [11]	2,308,566	—	3,251,611
Provincial Pension Plans	—	—	—	—	—	—	(963,178) [12]
Other Staff Related Expenses	—	—	—	1,879,872 [13]	1,879,872	—	2,100,114
Less: Salaries & Benefits for the Millard Centre	—	(11,212,272)	(1,951,284)	—	(13,163,556)	—	(10,692,069)
Administration – Salaries & Benefits [14]		$ 63,503,646	$ 9,714,015	$ 6,777,775	$ 81,995,436		$ 84,305,366

(1) Salary includes regular base pay, special incentive pay, overtime, performance awards, vacation pay, honoraria and contractor's fees.

(2) Employer's share of employee benefits and contributions or payments made to or on behalf of employees. It is comprised of Canada Pension Plan, Employment Insurance, Public Service and Management pension plans, medical benefits, group life insurance, disability plans, employee and family assistance plan, professional memberships and tuition, long service, suggestion and retirement awards, and vacation payout.

(3) No amount included in benefits and allowances for, car allowances, car insurance, or the value of parking and interest-free loans.

(4) The Chairman of the Board of Directors and Board Members are part time positions.

(5) Salary includes base salary of $256,267.00 and measured variable pay for performance of $71,735.00.

(6) The President and Chief Executive Officer does not participate in the Public Service Benefit Plan. The Board of Directors has provided her with an amount in lieu of pension paid directly.

(7) The appointment to the position was effective April 2001

(8) The position of VP Chief Information Officer was abolished effective February 2000.

(9) The position of Vice President and Chief Financial Officer was replaced by Chief Financial Officer effective May 2001.

(10) Termination benefits include retiring allowances, accrued sick leave and other settlement costs due to loss of employment. Included in the termination benefits is $265,000.00 paid to the Vice President and Chief Financial Officer.

(11) The adjustment to the liability for long-term disability claims reflects changes to the actuarial present value of all future payments expected to be made for claims which have occurred in current and prior years.

(12) Represents adjustments to Provincial Pension Plan Liabilities.

(13) Other staff related expenses include recruitment costs, seminars, conventions and conferences, staff and association luncheons and meetings, in-house training programs, retirees benefits and relocation costs.

(14) Excluded from this total is the Appeals Commission as it is a separate legal entity. See Schedule A-1 for details.

APPEALS COMMISSION
SALARIES AND BENEFITS
December 31, 2001

Schedule A-1

	2001					2000	
	Number of Individuals	Salary [1]	Benefits [2][3]	Other	Total	Number of Individuals	Total
Chief Appeals Commissioner	1	$ 124,963	$ 17,461	$ –	$ 142,424	1	$ 139,979
Full Time Commissioners	11	902,159	154,494	–	1,056,653	9	699,811
Temporary Appeals Commissioners	25	618,771	18,749	–	637,520	28	691,878
	37	1,645,893	190,704	–	1,836,597	38	1,531,668
Other Full Time Staff (2001 – $50,328, 2000 – $55,399)	41	1,785,464	277,999	–	2,063,463	39	2,160,550
Termination Benefits	–	–	–	–	–	–	–
Long Term Disability	–	–	–	–	–	–	9,132
Other Staff Related Expenses	–	–	–	36,876	36,876 [4]	–	–
TOTAL		$ 3,431,357	$ 468,703	$ 36,876	$ 3,936,936		$ 3,701,350

The Appeals Commission is a separate legal entity funded by the accident fund but administered separately from the Workers' Compensation Board.

(1) Salary includes regular base pay, special incentive pay, overtime, performance awards, vacation pay, honoraria and contractor's fees.

(2) Employer's share of employee benefits and contributions or payments made to or on behalf of employees. It is comprised of Canada Pension Plan, Employment Insurance, Public Service and Management pension plans, medical benefits, group life insurance, disability plans, employee and family assistance plan, professional memberships and tuition, long service, suggestion and retirement awards, and vacation payout.

(3) No amount included in benefits and allowances for; car allowances, car insurance, or the value of parking and interest-free loans.

(4) Other staff related expenses include recruitment costs, seminars, conventions and conferences, staff and association luncheons and meetings, in house training programs, retirees benefits and relocation costs.

Appendices

Appendix 1

Dropped Performance Measures

Measure	Rationale
Percentage of participants whose training helped to prepare them for current or future employment	This indicator is no longer relevant as a key measure of the Goals identified for the 2001-2004 Business Plan.
Percentage of participants in training who obtained an improved education or skill level	This indicator is no longer relevant as a key measure of the Goals identified for the 2001-2004 Business Plan.
Provincially, year-to-year improvements in lost-time claim rate for Certificate of Recognition (COR) holders; compared to year-to-year improvement for non-COR holders	This indicator is no longer relevant as a key measure of the Goals identified for the 2001-2004 Business Plan.
Lost-time claim rates for targeted employers, compared to their baseline rates	This indicator is no longer relevant as a key measure of the Goals identified for the 2001-2004 Business Plan.
Percentage of mediation appointments which avoid work stoppages	This indicator is no longer relevant as a key measure of the Goals identified for the 2001-2004 Business Plan.
Reduction in the number of registered complaints in targeted businesses	This indicator is no longer relevant as a key measure of the Goals identified for the 2001-2004 Business Plan.
Provincial ranking in satisfying post-judgement collection of unpaid employee earnings	While Alberta documents post-judgement collections, comparable data from other provinces are not available. Therefore, a provincial ranking cannot be reported.
Results of key initiatives	This indicator is no longer relevant as a key measure of the Goals identified for the 2001-2004 Business Plan.

Appendix 2

Ministry Acts

Income Support to Individuals and Labour Market Programs and Services

Assured Income for the Severely Handicapped Act (AISH)
Government Organization Act (GOA)*
Income Support Recovery Act
Parentage and Maintenance Act
Social Development Act
Student and Temporary Employment Act
Widows' Pension Act

*Only section 2 of Schedule 3 and Schedule 8 under the GOA are administered by AHRE.

Office of the Public Guardian

Dependent Adults Act
Personal Directives Act

Workplace Health and Safety (WHS)

Occupational Health and Safety Act
Radiation Protection Act

Employment Standards

Employment Standards Code

Professions and Occupations (P&O)

Agrologists Act
Architects Act
Consulting Engineers of Alberta Act
Engineering, Geological and Geophysical Land Agents Licensing Act
Land Surveyors Act
Professional and Occupational Associations Registration Act
Professions Act
Regulated Accounting Profession Act
Regulated Forestry Profession Act
Veterinary Profession Act

Alberta Labour Relations Board (ALRB)

Burial of the Dead Act
Labour Relations Code
Managerial Exclusion Act
Police Officers Collective Bargaining Act
Public Service Employee Relations Act

Personnel Administration Office (PAO)

Public Service Act

Workers' Compensation Board (WCB)

Blind Workers' Compensation Act
M.L.A. Compensation Act
Workers' Compensation Act

Appendix 3

Ministry Office Locations

ALBERTA HUMAN RESOURCES AND EMPLOYMENT OFFICES

ATHABASCA

Alberta Service Centre
300 Duniece Centre
4810 – 50 Street
Athabasca AB T9S 1C9
Phone: (780) 675-2243

BARRHEAD

Alberta Service Centre
PO Box 4517
6203 – 49 Street
Barrhead AB T7N 1A4
Phone: (780) 674-8345

BONNYVILLE

Alberta Service Centre
New Park Place
5201 – 44 Street
Bonnyville AB T9N 2J4
Phone: (780) 826-4175

BOW CORRIDOR

Bow Corridor/Canmore Office
301 Provincial Building
800 Railway Avenue
Canmore AB T1W 1P1
Phone: (403) 678-2363

BROOKS

Brooks Satellite Office
PO Box 310
303 – 8 Street East
Brooks AB T1R 1B4
Phone: (403) 362-1278

CALGARY

EAST

Radisson Centre Office
Main Floor, 525 – 28 Street SE
Calgary AB T2A 6W9
Phone: (403) 297-1907

Canada Alberta Service Centre
1502 Marlborough Mall
515 Marlborough Way NE
Calgary AB T2A 7E7
Phone: (403) 297-7570

NORTH

Kensington Road Office
2nd Floor
1240 Kensington Road NW
Calgary AB T2N 3P7
Phone: (403) 297-7200

Canada Alberta Service Centre
200 Market Mall
3625 Shaganappi Trail NW
Calgary AB T2M 4S4
Phone: (403) 297-3951

SOUTH/CENTRAL

Native Services Office
Main Floor, RPW Building
1021 – 10 Avenue SW
Calgary AB T2R 0B7
Phone: (403) 297-2094

Career & Employment Services
5th and 6th Floors
Century Park Place
855 – 8 Avenue SW
Calgary AB T2P 3P1
Phone: (403) 297-8523

Canada Alberta Service Centre
280 Harry Hays Building
220 – 4 Avenue SE
Calgary AB T2G 4X3
Phone: (403) 297-7775

Canada Alberta Service Centre
100 Fisher Park Place II
6712 Fisher Street SE
Calgary AB T2H 1X3
Phone: (403) 297-2020

Assured Income for the Severely Handicapped & Assured Support
500 TGS Place
1520 – 4 Street SW
Calgary AB T2R 1H5
Phone: (403) 297-8511

Fraud Investigations & Family Maintenance
7th Floor, John J. Bowlen Building
620 – 7 Avenue SW
Calgary AB T2P 0Y8
Phone: (403) 297-8871

Temporary Employment Programs
3805 – 29 Street NE
Calgary AB T1Y 6B5
Phone: (403) 297-7767

Office of the Public Guardian
9th Floor, Century Park Plaza
855 – 8 Avenue SW
Calgary AB T2P 3P1
Phone: (403) 297-3364

Employment Standards
Main Floor, Elveden Centre
717 – 7 Avenue SW
Calgary AB T2P 0Z3
Phone: (403) 297-4346

Workplace Health & Safety
600 Guinness House
Elveden Centre
727 – 7 Avenue SW
Calgary AB T2P 0Z5

CAMROSE

Canada Alberta Service Centre
2nd Floor, 4901 – 50 Avenue
Camrose AB T4V 0S2
Phone: (780) 608-2525

CLARESHOLM

Claresholm Satellite Office
PO Box 1630
109 – 46 Avenue West
Claresholm AB T0L 0T0
Phone: (403) 625-4457

COLD LAKE

Alberta Service Centre
PO Box 698
4817 – 52 Street
Cold Lake AB T9M 1P2
Phone: (780) 594-1984

CROWSNEST PASS

Crowsnest Pass Area Office
PO Box 870
Provincial Building
12501 – 20 Avenue
Blairmore AB T0K 0E0
Phone: (403) 562-3285

DRAYTON VALLEY

Drayton Valley Sub-Office
PO Box 7595
Main Floor Midas Building
5108 – 51 Street
Drayton Valley AB T7A 1S7
Phone: (780) 542-3134

DRUMHELLER

Alberta Service Centre
Box 2079
180 Riverside Drive East
Drumheller AB T0J 0Y0
Phone: (403) 823-1616

Employment Standards
Provincial Building
201 Centre Street
Drumheller AB T0J 0Y0

EDMONTON

CITY CENTRE

105 Street Site
3rd Floor, 10242 – 105 Street
Edmonton AB T5J 3L5
Phone: (780) 415-4900

107 Street Site
6th Floor, South Tower
Seventh Street Plaza
10030 – 107 Street
Edmonton AB T5J 4X7
Phone: (780) 427-5659

Canada Alberta Service Centre
Main Floor Canada Place
9700 Jasper Avenue
Edmonton AB T5J 4C1
Phone: (780) 427-3722

NORTH

Alberta Service Centre
200, 13415 Fort Road
Edmonton AB T5A 1C6
Phone: (780) 422-9440

Canada Alberta Service Centre
Unit 2000, Northgate Centre
9499 – 137 Avenue
Edmonton AB T5E 5R8
Phone: (780) 427-3722

SOUTH

Canada Alberta Service Centre
6325 Gateway Boulevard NW
Edmonton AB T6H 5H6
Phone: (780) 438-8111

WEST

West District Office
200 Westcor Building
12323 Stony Plain Road
Edmonton AB T5N 4A9
Phone: (780) 415-6500

Canada Alberta Service Centre
Meadowlark Shopping Centre
120, 15710 – 87 Avenue
Edmonton AB T5R 5W9
Phone: (780) 415-8116

Family Maintenance
9th Floor, Centre West Building
10035 – 108 Street
Edmonton AB T5J 3E1
Phone: (780) 415-6400

Assured Income for the Severely Handicapped
500 Westcor Building
12323 Stony Plain Road
Edmonton AB T5N 4B4
Phone: (780) 415-6300

Office of the Public Guardian
4th Floor, 108 Street Building
9942 – 108 Street
Edmonton AB T5K 2J5
Phone: (780) 427-0017

Employment Standards
Main Floor Sterling Place
9940 – 106 Street
Edmonton AB T5K 2N2
Phone: (780) 427-3731

Workplace Health & Safety
10th Floor Seventh Street Plaza
10030 – 107 Street
Edmonton AB T5J 3E4
Phone: (780) 415-8690

EDSON

Alberta Service Centre
100 Provincial Building
111 – 54 Street
Edson AB T7E 1T2
Phone: (780) 723-8317

Canada Alberta Service Centre
Box 6780
4904 – 4 Avenue
Edson AB T7E 1V2
Phone: (780) 723-8921

Employment Standards
Box 6780
4904 – 4 Avenue
Edson AB T7E 1V2

FORT MCMURRAY

Canada Alberta Service Centre
Main Floor, Provincial Building
9915 Franklin Avenue
Fort McMurray AB T9H 2K4
Phone: (780) 743-7192

Employment Standards
714 Provincial Building
9915 Franklin Avenue
Fort McMurray AB T9H 2K4

GRANDE CACHE

Alberta Service Centre
PO Box 240
702 Pine Plaza Mall
Grande Cache AB T0E 0Y0
Phone: (780) 827-3335

GRANDE PRAIRIE

Canada Alberta Service Centre
100 Towne Centre Mall
9845 – 99 Avenue
Grande Prairie AB T8V 0R3
Phone: (780) 538-6241

Office of the Public Guardian
5th Floor Nordic Court
10014 – 99 Street
Grande Prairie AB T8V 3N4
Phone: (780) 538-5575

Employment Standards
3103 Provincial Building
10320 – 99 Street
Grande Prairie AB T8V 6J4

Workplace Health & Safety
3103 Provincial Building
10320 – 99 Street
Grande Prairie AB T8V 6J4

HIGH LEVEL

Alberta Service Centre
Mail Bag 1000
9806 – 98 Street
High Level AB T0H 1Z0
Phone: (780) 841-4315

HIGH PRAIRIE

Alberta Service Centre
PO Box 849
2nd Floor, Provincial Building
5226 – 53 Avenue
High Prairie AB T0G 1E0
Phone: (780) 523-6650

HINTON

Canada Alberta Service Centre
568 Carmichael Lane
Hinton AB T7V 1S8
Phone: (780) 865-8273

LAC LA BICHE

Alberta Service Centre
PO Box 420
9503 Beaverhill Road
Lac La Biche AB T0A 2C0
Phone: (780) 623-5215

LEDUC

Leduc Site
501 – 11 Avenue
Nisku AB T9E 7N5
Phone: (780) 955-3751

LETHBRIDGE

Canada Alberta Service Centre
Bag 3014
200 – 5 Avenue South
Lethbridge AB T1J 4L1
Phone: (403) 380-2272

Office of the Public Guardian
500 Professional Building
346 – 3 Street SE
Lethbridge AB T1J 0N9
Phone: (403) 381-5648

Employment Standards
360 Provincial Building
200 – 5 Avenue South
Lethbridge AB T1J 4L1

Workplace Health & Safety
360 Provincial Building
200 – 5 Avenue South
Lethbridge AB T1J 4L1

LLOYDMINSTER

Canada Alberta Service Centre
5016 – 48 Street
Lloydminster AB T9V 0H8
Phone: (780) 871-6428

MCLENNAN

Office of the Public Guardian
PO Box 326
205 – 1 Street East
McLennan AB T0H 2L0
Phone: (780)324-3239

MEDICINE HAT

Canada Alberta Service Centre
5 Provincial Building
346 – 3 Street SE
Medicine Hat AB T1A 0G7
Phone: (403) 529-3683

Office of the Public Guardian
306 Provincial Building
346 – 3 Street SE
Medicine Hat AB T1A 0G7
Phone: (403) 5245

Employment Standards
103 Provincial Building
346 – 3 Street SE
Medicine Hat AB T1A 0G7

Workplace Health & Safety
103 Provincial Building
346 – 3 Street SE
Medicine Hat AB T1A 0G7

OLDS

Alberta Service Centre
PO Box 3810
4905 – 50 Avenue
Olds AB T4H 1P5
Phone: (403) 556-4200

PEACE RIVER

Alberta Service Centre
Midwest Building
9715 – 100 Street
Peace River AB T8S 1T4
Phone: (780) 624-6135

Employment Standards
Main Floor Provincial Building
9621 – 96 Avenue
Peace River AB T8S 1T4

PINCHER CREEK

Pincher Creek Office
160 Provincial Building
782 Main Street
Pincher Creek AB T0K 1W0
Phone: (403) 627-1125

RED DEER

Alberta Service Centre
109 Provincial Building
4920 – 51 Street
Red Deer AB T4N 6K8
Phone: (403) 340-5439

Canada Alberta Service Centre
3rd Floor, First Red Deer Place
4911 – 51 Street
Red Deer AB T4N 6V4
Phone: (403) 340-5353

Office of the Public Guardian
203 Provincial Building
4920 – 51 Street
Red Deer AB T4N 6K8
Phone: (403) 340-5165

Employment Standards
207 Provincial Building
4920 – 51 Street
Red Deer AB T4N 6K8

Workplace Health & Safety
207 Provincial Building
4920 – 51 Street
Red Deer AB T4N 6K8

ROCKY MOUNTAIN HOUSE

Alberta Service Centre
PO Box 1180
Main Floor, Provincial Building
4919 – 51 Street
Rocky Mountain House AB
T4T 1A8
Phone: (403) 845-8590

SHERWOOD PARK

Sherwood Park Site
Strathcona Place
340 Sioux Road
Sherwood Park AB T8A 3X6
Phone: (780) 464-7000

SLAVE LAKE

Canada Alberta Service Centre
PO Box 70
2nd Floor, Lakeland Centre
101 Main Street South
Slave Lake AB T0G 2A0
Phone: (780) 849-7290

SPRUCE GROVE
Parkland District Office
PO Box 1230
200 Wesgrove Professional Building
Spruce Grove AB T7X 2Z8
Phone: (780) 962-8681

ST. ALBERT
St. Albert District Office
Provincial Building
30 Sir Winston Churchill Avenue
St. Albert AB T8N 3A3
Phone: (780) 458-9400

ST. PAUL
Canada Alberta Service Centre
Box 309
5126 – 50 Avenue
St. Paul AB T0A 3A0
Phone: (780) 645-6473

Office of the Public Guardian
Box 309
5126 – 50 Avenue
St. Paul AB T0A 3A0
Phone: (780) 645-6473

Employment Standards
Box 403
5126 – 50 Avenue
St. Paul AB T0A 3A0

STETTLER
Alberta Service Centre
Postal Bag 600
4835 – 50 Street
Stettler AB T0C 2L0
Phone: (403) 742-7586

TABER
Lethbridge Sub-Office
5011 – 49 Avenue
Taber AB T1G 1V9
Phone: (403) 223-7921

VEGREVILLE
Alberta Service Centre
24 Husky Plaza Mall
5341 – 50 Avenue
Vegreville AB T9C 1H1
Phone: (780) 632-5453

VERMILION
Alberta Service Centre
Box 26
4701 – 52 Street
Vermilion AB T9X 1J9
Phone: (780) 853-8150

WAINWRIGHT
Alberta Service Centre
19 Provincial Building
810 – 14 Avenue
Wainwright AB T9W 1R2
Phone: (780) 842-7500

WESTLOCK
Alberta Service Centre
10211 – 100 Street
Westlock AB T7P 2G5
Phone: (780) 349-7700

WETASKIWIN
Alberta Service Centre
Macadil Building
5201 – 51 Avenue
Wetaskiwin AB T9A 0V5
Phone: (780) 361-1272

WHITECOURT
Alberta Service Centre
Box 749
202 Midtown Mall
5115 – 49 Street
Whitecourt AB T7S 1N7
Phone: (780) 778-7140

PERSONNEL ADMINISTRATION OFFICE

7th Floor
Peace Hills Trust Tower
10011 – 109 Street
Edmonton AB T5J 3S8
Phone: (780) 408-8400

ALBERTA LABOUR RELATIONS BOARD

503 Labour Building
10808 – 99 Avenue
Edmonton AB T5K 0G5
Phone: (780) 422-5926

3rd Floor, Deerfoot Junction
Tower 3
1212 – 31 Avenue NE
Calgary AB T2E 7S8
Phone: (403) 297-4334

WORKERS' COMPENSATION BOARD

PO Box 2415
9912 – 107 Street
Edmonton AB T5J 2S5
Phone: (780) 498-4000

300 – 6 Avenue SE
Calgary AB T2G 0G5
Phone: (403) 517-6000

ALPHABETICAL LIST OF ENTITIES' FINANCIAL INFORMATION IN MINISTRY 2001-02 ANNUAL REPORTS

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	Ministry Annual Report
Agriculture Financial Services Corporation	Agriculture, Food and Rural Development
Alberta Alcohol and Drug Abuse Commission	Health and Wellness
Alberta Dairy Control Board	Agriculture, Food and Rural Development
Alberta Energy and Utilities Board	Energy
Alberta Foundation for the Arts	Community Development
Alberta Gaming and Liquor Commission	Gaming
Alberta Government Telephones Commission, The	Finance
Alberta Heritage Foundation for Medical Research Endowment Fund	Revenue
Alberta Heritage Savings Trust Fund	Revenue
Alberta Heritage Scholarship Fund	Revenue
Alberta Heritage Science and Engineering Research Endowment Fund	Revenue
Alberta Historical Resources Foundation, The	Community Development
Alberta Insurance Council	Finance
Alberta Municipal Financing Corporation	Finance
Alberta Opportunity Company	Agriculture, Food and Rural Development
Alberta Pensions Administration Corporation	Finance
Alberta Petroleum Marketing Commission	Energy
Alberta Research Council Inc.	Innovation and Science
Alberta Risk Management Fund	Revenue
Alberta School Foundation Fund	Learning
Alberta Science and Research Authority	Innovation and Science
Alberta Securities Commission	Revenue
Alberta Social Housing Corporation	Seniors
Alberta Sport, Recreation, Parks and Wildlife Foundation	Community Development
Alberta Treasury Branches	Finance
ATB Investment Services Inc.	Finance
Child and Family Services Authorities:	Children's Services
Awasak Child and Family Services Authority	
Calgary Rocky View Child and Family Services Authority	
Child and Family Services Authority Region 13	
Child and Family Services Authority Region 14	
Diamond Willow Child and Family Services Authority	
Hearthstone Child and Family Services Authority	
Keystone Child and Family Services Authority	
Ma'Mowe Capital Region Child and Family Services Authority	
Métis Settlements Child and Family Services Authority	
Neegan Awas'sak Child and Family Services Authority	
Ribstone Child and Family Services Authority	
Sakaigun Asky Child and Family Services Authority	
Sakaw-Askiy Child and Family Services Authority	
Silver Birch Child and Family Services Authority	
Southeast Alberta Child and Family Services Authority	
Sun Country Child and Family Services Authority	
West Yellowhead Child and Family Services Authority	
Windsong Child and Family Services Authority	
Credit Union Deposit Guarantee Corporation	Finance

Ministry, Department, Fund or Agency	Ministry Annual Report
Crop Reinsurance Fund of Alberta	Agriculture, Food and Rural Development
Department of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Department of Children's Services	Children's Services
Department of Community Development	Community Development
Department of Energy	Energy
Department of Finance	Finance
Department of Gaming	Gaming
Department of Health and Wellness	Health and Wellness
Department of Innovation and Science	Innovation and Science
Department of Learning	Learning
Department of Revenue	Revenue
Department of Seniors	Seniors
Department of Solicitor General	Solicitor General
Department of Sustainable Resource Development	Sustainable Resource Development
Environmental Protection and Enhancement Fund	Sustainable Resource Development
Gainers Inc.	Finance
Government House Foundation, The	Community Development
Historic Resources Fund	Community Development
Human Rights, Citizenship and Multiculturalism Education Fund	Community Development
iCORE Inc.	Innovation and Science
Lottery Fund	Gaming
Ministry of Aboriginal Affairs and Northern Development	Aboriginal Affairs and Northern Development
Ministry of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Ministry of Children's Services	Children's Services
Ministry of Community Development	Community Development
Ministry of Economic Development	Economic Development
Ministry of Energy	Energy
Ministry of Environment	Environment
Ministry of Executive Council	Executive Council
Ministry of Finance	Finance
Ministry of Gaming	Gaming
Ministry of Government Services	Government Services
Ministry of Health and Wellness	Health and Wellness
Ministry of Human Resources and Employment	Human Resources and Employment
Ministry of Infrastructure	Infrastructure
Ministry of Innovation and Science	Innovation and Science
Ministry of International and Intergovernmental Relations	International and Intergovernmental Relations
Ministry of Justice	Justice
Ministry of Learning	Learning
Ministry of Municipal Affairs	Municipal Affairs
Ministry of Revenue	Revenue
Ministry of Seniors	Seniors
Ministry of Solicitor General	Solicitor General

Ministry includes only the department so separate department financial statements are not necessary.

Ministry, Department, Fund or Agency	Ministry Annual Report
Ministry of Sustainable Resource Development	Sustainable Resource Development
Ministry of Transportation	Transportation
N.A. Properties (1994) Ltd.	Finance
Natural Resources Conservation Board	Sustainable Resource Development
Persons with Developmental Disabilities Community Boards	
Calgary Community Board	Community Development
Central Community Board	Community Development
Edmonton Community Board	Community Development
Northeast Community Board	Community Development
Northwest Community Board	Community Development
South Community Board	Community Development
Persons with Developmental Disabilities Foundation	Community Development
Persons with Developmental Disabilities Michener Centre Facility Board	Community Development
Persons with Developmental Disabilities Provincial Board	Community Development
Provincial Judges and Masters in Chambers Reserve Fund	Finance
S C Financial Ltd.	Finance
Supplementary Retirement Plan Reserve Fund	Finance
Victims of Crime Fund	Solicitor General
Wild Rose Foundation, The	Community Development

ENTITIES NOT INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Fund or Agency	Ministry Annual Report
Alberta Cancer Board	Health and Wellness
Alberta Foundation for Health Research	Innovation and Science
Alberta Heritage Foundation for Medical Research	Innovation and Science
Alberta Heritage Foundation for Science and Engineering Research	Innovation and Science
Alberta Mental Health Board	Health and Wellness
Alberta Teachers' Retirement Fund Board	Learning
Improvement Districts' Trust Account	Municipal Affairs
Local Authorities Pension Plan	Finance
Long-Term Disability Income Continuance Plan – Bargaining Unit	Human Resources and Employment
Long-Term Disability Income Continuance Plan – Management, Opted Out and Excluded	Human Resources and Employment
Management Employees Pension Plan	Finance
Provincial Judges and Masters in Chambers Pension Plan	Finance
Public Post Secondary Institutions	Learning
Public Service Management (Closed Membership) Pension Plan	Finance
Public Service Pension Plan	Finance
Regional Health Authorities	Health and Wellness
School Boards	Learning
Special Areas Trust Account, The	Municipal Affairs
Special Forces Pension Plan	Finance

[1] Dissolved June 2001

Fund or Agency	Ministry Annual Report
Supplementary Retirement Plan for Provincial Judges and Masters in Chambers	Finance
Supplementary Retirement Plan for Public Service Managers	Finance
Universities Academic Pension Plan	Finance
Workers' Compensation Board	Human Resources and Employment